

BSBMKG414

Undertake marketing activities

Release 1

Learner guide

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Aspire Version 1.1

BXMKG414



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BSBMKG414 Undertake marketing activities Release 1

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Before you begin

This learner guide is based on the unit of competency *BSBMKG414 Undertake marketing activities*, Release 1. Your trainer or training organisation must give you information about this unit of competency as part of your training program. You can access the unit of competency and assessment requirements at: www.training.gov.au.

How to work through this learner guide

This learner guide contains a number of features that will assist you in your learning. Your trainer will advise which parts of the learner guide you need to read, and which practice tasks and learning checkpoints you need to complete. The features of this learner guide are detailed in the following table.

| Feature of the learner guide | How you can use each feature |
|------------------------------|--|
| Learning content | Read each topic in this learner guide. If you come across content that is confusing, make a note and discuss it with your trainer. Your trainer is in the best position to offer assistance. It is very important that you take on some of the responsibility for the learning you will undertake. |
| Examples and case studies | Examples of completed documents that may be used in a workplace are included in this learner guide. You can use these examples as models to help you complete practice tasks and learning checkpoints. Case studies highlight learning points and provide realistic examples of workplace situations. |
| Practice tasks | Practice tasks give you the opportunity to put your skills and knowledge into action. Your trainer will tell you which practice tasks to complete. |
| Video clips | Where QR codes appear, learners can use smartphones and other devices to access video clips relating to the content. For information about how to download a QR reader app or accessing video on your device, please visit our website: www.aspirelr.com.au/help |
| Summary | Key learning points are provided at the end of each topic. |
| Learning checkpoints | There is a learning checkpoint at the end of each topic. Your trainer will tell you which learning checkpoints to complete. These checkpoints give you an opportunity to check your progress and apply the skills and knowledge you have learnt. |



Foundation skills

As you complete learning using this guide, you will be developing the foundation skills relevant for this unit. Foundation skills are the language, literacy and numeracy (LLN) skills and the employability skills required for participation in modern workplaces and contemporary life.

The following table outlines specific foundation skills noted for your learning in this learner guide.

| Foundation skill area | Foundation skill description |
|----------------------------|---|
| Reading | <ul style="list-style-type: none"> Interprets textual information obtained from a range of sources and determines how content may be applied to organisational requirements |
| Writing | <ul style="list-style-type: none"> Integrates information from a number of sources to develop material that supports purposes and format of documentation, using suitable grammatical structure and clear, logical language |
| Oral communication | <ul style="list-style-type: none"> Participates in a variety of spoken exchanges using suitable language and non-verbal features |
| Numeracy | <ul style="list-style-type: none"> Collates and analyses numeric information relating to costs, timeframes and other activities |
| Navigate the world of work | <ul style="list-style-type: none"> Adheres to organisational policies and procedures and considers own role in terms of its contribution to broader goals of work environment |
| Interact with others | <ul style="list-style-type: none"> Selects appropriate form, channel and mode of communication for a specific purpose relevant to own role |
| Get the work done | <ul style="list-style-type: none"> Develops plans to manage tasks with an awareness of how they may contribute to longer term operational and strategic goals Takes responsibility for outcomes of routine decisions related directly to own role Understands purposes, specific functions and key features of common digital systems and tools and operates them effectively to complete routine tasks Recognises and takes responsibility for addressing predictable and some less predictable problems in familiar work contexts |

What do you already know?

Use the following table to identify what you may already know. This may assist you to work out what to focus on in your learning.

| Topic | Key outcome | Rate your confidence in each section |
|--|---|--|
| Topic 1 Research marketing information | 1A Research your organisation's concept of marketing | <input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident |
| | 1B Identify and analyse your organisation's marketing plan and relevant policies and procedures | <input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident |
| | 1C Identify the need for marketing activities using the existing marketing plan | <input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident |
| | 1D Investigate previous marketing activities | <input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident |
| | 1E Create a profile of the market segment | <input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident |
| | 1F Identify positioning and marketing mix for each target segment | <input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident |
| | 1G Identify the outcomes expected from the marketing activities | <input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident |
| Topic 2 Plan marketing activities | 2A Analyse the market | <input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident |
| | 2B Develop work activity plans for marketing activities | <input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident |
| | 2C Obtain approval for marketing plans | <input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident |

| Topic | Key outcome | Rate your confidence in each section |
|--|---|--|
| Topic 3 Implement marketing activities | 3A Determine and access resources required for marketing activities | <input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident |
| | 3B Undertake marketing activities within your job role | <input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident |
| | 3C Help to assign marketing responsibilities and functions | <input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident |
| | 3D Monitor, review and amend marketing activities | <input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident |
| Topic 4 Review marketing activities | 4A Measure and record the outcomes of marketing activities | <input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident |
| | 4B Review marketing activities and suggest improvements | <input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident |
| | 4C Prepare reports and communicate your findings | <input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident |

Topic 1

Research marketing information

The first step in the marketing process is to analyse the market the organisation competes in, the organisation's clients, and their needs. This step lays the foundations for all future actions. If the market and clientele are not analysed effectively, then subsequent marketing activities are unlikely to be successful because they will not reach the target market.

In this topic you will learn how to:

- 1A Research your organisation's concept of marketing
- 1B Identify and analyse your organisation's marketing plan and relevant policies and procedures
- 1C Identify the need for marketing activities using the existing marketing plan
- 1D Investigate previous marketing activities
- 1E Create a profile of the market segment
- 1F Identify positioning and marketing mix for each target segment
- 1G Identify the outcomes expected from the marketing activities

1A

Research your organisation's concept of marketing

Before planning specific marketing activities, you need to gain a comprehensive picture of marketing as it applies to your organisation. Study the current marketing plan to identify the type of activities that are planned or needed in the future and what outcomes the organisation expects to achieve.

It is essential that you are aware of the various market segments your organisation has chosen to focus on and the way it uses the elements of marketing (product, price, promotion and placement) to drive its marketing strategy. It is always helpful to look back over past activities and see which ones were particularly effective.



Marketing strategies to meet client needs

Marketing is about meeting client needs. Rather than focusing purely on producing products or devising ways to sell the product, a client-focused organisation determines client needs and then finds ways to satisfy these needs. If all business activities are aligned with this philosophy, then the concept of marketing is a holistic one.

Here are some considerations when determining marketing strategies to meet client needs.

Marketing strategies to meet client needs



Organisation size

Small businesses are able to target clients more directly than larger businesses; large organisations have more money to spend on marketing



Organisation characteristics

Type of business conducted and the products and services offered; for example, the organisation may focus more on production or selling rather than focusing all business activities on meeting client needs



Client characteristics

For example, some organisations have a mix of client types, while others may have clients who are more homogenous in lifestyle, education levels, income and attitudes



Client values

For example, some clients focus on value for money while others base their purchasing decisions on safety, function or reliability



Client location

For example, organisations may have clients spread across Australia and may need to use a range of marketing strategies to ensure all clients are reached, while others may have a specific local niche market



Organisation location

The location from which the organisation carries out its business

Marketing strategies

Organisations have different strategic directions. In his book, *Competitive advantage: techniques for analysing industries and competitors*, Michael Porter (1980, p. 39) states that organisations pursue particular marketing strategies based on the source of their competitive advantage. If the organisation seeks to gain an advantage over competitors by having a higher-cost, differentiated product of greater quality than competitors, it will pursue one strategy. If it has a lower-cost product that it can sell for less than competitors, it will pursue a different one.

Here are three examples of marketing strategies.

Cost–leadership strategy

The organisation markets itself and its products and services to a broad market and seeks to gain an advantage by having a market position as the lowest-cost provider.

Differentiation strategy

The organisation markets itself and its products and services to a broad market and seeks to gain an advantage through the unique quality of its products and services. This is done by offering a product or service that is superior in some way to its competitors'.

Focus strategy

The organisation markets itself and its products to a niche segment of the market using:

- a cost–leadership strategy – the organisation seeks to be the lowest-cost provider in the niche segment
- a differentiation strategy – the organisation seeks to provide a differentiated product in the niche segment.

Marketing strategy

Generic marketing strategies are useful for understanding the marketing strategy of your organisation. However, the marketing strategy adopted by your organisation is likely to be more in depth and specific.

The marketing strategy pursued by your organisation will influence the marketing activities that you need to undertake. Marketing activities that focus on a cost–leadership strategy will be different from those that focus on a differentiation strategy. For example, a cost–leadership organisation may use sales promotions such as bonus offers and heavy discounting to market to its customers. A differentiation organisation may use personal selling and customer service to stand out from the competition.

The marketing strategy will also specify the target market. Does the organisation seek to target a broad or wide market of customers, or does it focus on a narrow segment of the market?

Typical marketing considerations an organisation will focus on when marketing to client needs are shown below.

Considerations when marketing to client needs



1. Client focus

Marketing activities must be focused on clients' values and needs.



2. Listen to the client

Read the organisation's client database and client feedback surveys and examine past marketing activities to gain an idea of the organisation's clients and where the organisation's focus lies.



3. Get to know the client

Talk to your supervisor, sales staff and others who can give you more information about the type of clients your organisation has and the concepts that underpin the marketing strategies.



4. Value the client

Consider the additional strategies the organisation employs to make clients feel valued, such as a reward program, feedback surveys, or a generous refund and exchange policy.

Example: marketing strategies

The major competitors in the Australian retail market can be classified into the three generic strategies:

1. Cost-leadership strategy:
 - Kmart
 - Big W
2. Differentiation strategy:
 - David Jones
 - Myer
3. Focus strategy:
 - Best & Less: clothing and footwear
 - Harvey Norman: electronic and household appliances
 - Fantastic Furniture: furniture
 - Toy Kingdom: toys and games
 - Dymocks: books



Practice task 1

1. Explain why it is important to understand your organisation's concept of marketing.

2. What are the three possible marketing strategies an organisation could use?

1B

Identify and analyse the organisation's marketing plan and relevant policies and procedures

A marketing plan or strategy is a detailed, written plan that outlines the steps the organisation proposes to take to achieve its goal of meeting and exceeding client needs through its marketing activities.

Before you can assist in marketing activities, you need to understand the existing marketing plan as well as the policies, procedures and legislation that affect how marketing activities are conducted.



Examine the current marketing plan

The marketing plan can provide you with a wealth of information to help you understand the market your organisation is operating in, the type of activities it conducts and the expected outcomes. Study supporting documents such as the work activity plans, which break down the activities further into operating tasks.

Carefully analyse each section. For example, the type of activities will give you an idea of the scope of the marketing strategies and how client needs and expectations govern the choice of activities. You may find that the budget is stringent and doesn't allow for more ambitious events. Time lines may mean that activities need to be well organised with contingencies planned for. The list of resources needed highlights how many people and who needs to be involved, as well as physical items that have to be made available.

Situational analysis

Reviewing this information in a methodical way (often referred to as a situational analysis) should help you contribute to future marketing operations. For example, you may discover that an activity you think would be beneficial has not been included in the plan, or you may have suggestions for sourcing items or developing material more effectively.

Here are the main points to consider in a situational analysis.

Type of activities planned



Analyse the marketing plan to determine what type of activities have been planned. This will help you see the range of events offered and identify the target market. Ideally, there should be a spread of activities – from attending trade shows to developing displays, promotional material and presentations, and distributing samples. Activities should include a mix of media tailored to the market, such as online, faceto face and print campaigns.

Resources required

Identify the people who are involved in the activities. Are they all in-house staff or are external experts or technical personnel required? What physical resources are required? For example, does your organisation have resources they regularly use when exhibiting at a trade fair, such as signs and display racks?

Budget

Make a note of the size of the budget allocated to each activity. You may need to discuss this with your supervisor to find out how the budget is planned and approved.

Outcomes

Knowing what results are expected from the marketing activity helps an organisation monitor and review each activity. By reading the projected outcome you get an idea of where the organisation's focus is and how it endeavours to meet client needs.

Monitoring and reporting

Read how marketing personnel plan to monitor and report on the activities. Read previous reports and reviews to see which activities were successful and which did not deliver the expected outcomes. Find out why.

Identify relevant policies and procedures

The organisation's promotional or advertising policy is not the only requirement you need to comply with when devising marketing and promotional strategies. As with any work activity, you should make sure that marketing activities are in accordance with the organisation's workplace policies and procedures.

Here are the policies and procedures that may need to be considered.

1

Customer service/sales policy

The way the organisation deals with orders, inquiries, complaints, returns and exchanges; for example, the organisation may offer a 30-day exchange period for change of mind

2

Budget policy and financial procedures

The procedures for allocating funds, approving expenditure and claiming expenses; for example, the organisation may have a policy that expenses of more than \$500 must be approved in advance by the financial officer

3

Presentation standards/visual identity guidelines

The way corporate material is presented (including advertising, signage, correspondence, reports); for example, the visual identity guidelines may specify how the organisation's logo should be placed on materials

4

Terminology

The type of language used; for example, referring to products and services using particular wording, or addressing customers in a formal or informal manner

5

Reporting requirements

Who you must prepare a report for and when, and what format or template must be used

6

Purchasing policy

The procedures for purchasing goods and services; for example, the organisation may have a 'preferred supplier' list of the approved suppliers for printing services

7

Distributor/franchisee policy

The requirements imposed on the wholesalers, retailers or franchises that sell your product or provide your services; for example, no discounting

8

Human resources policy

The policies for recruiting, remuneration and job roles; for example, the organisation may have a procedure for hiring agency staff for temporary work

Ethical conduct

Ethical conduct underpins all policies and procedures and covers such fundamental principles as honesty, keeping agreements, privacy, fairness and not causing intentional harm. Some of these principles are a legislative requirement for organisations; others are adopted as an industry standard or code of practice.

Some principles are adopted because the organisation wishes to have the good reputation that comes from doing business ethically. For example, your organisation may have a purchasing policy to choose products that are recyclable and are produced under fair work conditions.

There are also industry codes of conduct. These are not mandatory, but may be a condition of membership of an industry association.

Example: legislative requirements

The legislative obligations that must be met are embedded in organisational policies and procedures, so if you follow these, you are complying with the relevant laws and regulations.

| Area of legislation | Legislative requirement |
|-------------------------------------|---|
| Anti-discrimination | <p>Providers of goods and services must not discriminate against customers based on race, gender, sexual orientation, disability, race, religious beliefs or political affiliation.</p> <p>Read your organisation's anti-discrimination policy, and speak to your human resources officer to learn about federal anti-discrimination laws and the specific laws in your state or territory.</p> |
| Consumer protection and competition | <p><i>The Competition and Consumer Act 2010</i> (Cth) (formerly the Trade Practices Act) deals with competition, fair trading and consumer protection. It states that organisations must not mislead or deceive clients, hinder legitimate competition, make false claims or make inaccurate pricing comparisons.</p> <p>Speak to your supervisor to learn about the federal consumer protection and competition laws and the specific laws in your state or territory.</p> |

continued ...

... continued

| Area of legislation | Legislative requirement |
|------------------------------|--|
| Privacy and data collection | <p>People's right to privacy and confidentiality is protected under the <i>Privacy Act 1988</i> (Cth). For example, this means that you must not mention anyone's name or use their image in advertising material unless you have obtained their permission to do so.</p> <p>Read your organisation's privacy policy, and speak to your privacy officer to learn about federal privacy laws and the specific laws in your state or territory.</p> |
| Work health and safety (WHS) | <p>Employers and employees have a duty of care to act safely at all times and not cause harm to others. Consult your WHS officer to identify possible risks associated with marketing activities, such as intensive data entry, stress or moving heavy displays.</p> <p>Read your organisation's health and safety policy, and speak to your WHS officer to learn about the <i>Work Health and Safety Act 2011</i> (Cth) and the specific laws in your state or territory.</p> |
| Competitions and prizes | <p>States and territories have various requirements for running competitions. Your competition must comply with the laws wherever it is open to entrants, not just in your home state.</p> <p>Speak to your supervisor to find out whether any permits are required for your marketing activities.</p> |
| Sector-specific | <p>Products and services in sectors such as food, communications and banking are governed by specific legislation and regulations. For example, a manufacturer can only market a product as 'ice cream' if it contains at least 100 g per kilogram of milk fat.</p> <p>Speak to your supervisor or legal department to find out whether any sector-specific laws affect your marketing activities.</p> |

Practice task 2

1. What elements would you expect to find in a current marketing plan?

2. What workplace policies and procedures would you need to refer to when carrying out a marketing plan?

1C

Identify the need for marketing activities using the existing marketing plan

An organisation's marketing plan is prepared by marketing personnel who base the chosen activities on an analysis of the economic environment, market, sales figures, performance data and client information. In addition, new products and services are often designated as a priority in marketing strategies.

Marketing activities

Before you begin, make sure you are familiar with the range of marketing activities that may be included in a marketing plan. For example, some marketing activities focus on establishing and maintaining relationships with customers/clients. 'Post-purchase engagement' – marketing activities to reassure and retain customers after the purchase – is an important tool for maintaining relationships.

Listed below are the typical activities that organisations use to develop a relationship with clients. As mentioned previously, some of the activities cross over into customer service and after-sales support.

Establishing a relationship with clients

Development and distribution of general promotional materials and information

Advertising campaigns

Telephone promotions

Membership benefits, loyalty (points) programs, store cards

Information sessions for clients, suppliers and other stakeholders

Attendance at trade shows, conferences and events

Surveys and feedback forms

Samples, case studies, testimonials, evidence of enterprise activity

Product/customer support

Media releases, newsletters, blogs, articles in trade or specialist magazines

Training workshops for clients and suppliers

Marketing processes

Organisations need to identify the need for a particular marketing activity by gathering evidence. This is done by analysing the marketing environment.

To be successful, organisations must tailor and adapt their marketing activities to suit the current environment. The marketing environment is constantly changing given the rapid rate of globalisation and technological and social change.

The marketing environment for your organisation can be viewed in terms of unique and universal factors, as shown below.

Micro-environment

The unique factors that affect the organisation and its ability to effectively undertake marketing activities

Macro-environment

The factors that affect all organisations in the industry and the ability of all competitors to market products and services effectively

Monitor the marketing environment

Examine the research that has been conducted and see how the activities chosen in the marketing plan align with the results of the research. Will the activities deliver the expected outcomes? You may need to do additional research or consider different activities. You may also need to do an additional situational analysis to monitor past marketing performance and future activities.

At this stage you are building up a picture of your organisation's business performance, its clients and how the selected marketing activities are designed to improve the communication between clients and the organisation.



Analysis

A situational analysis is a thorough analysis of the organisation's marketing environment. Its main purpose is to look at every aspect of the environment that affects, or potentially affects, the organisation's ability to undertake marketing activities.

Here is an example of analyses you may undertake.

Sales figures and profits

The organisation's sales and profit figures may suggest that additional marketing activities are required. If sales are slow or declining, this may be due to insufficient marketing activities. The relationship between marketing and sales/profits is not exact but sales and profits do provide an indicator as to whether marketing activities are required in the future.

Client information

Marketing is a business philosophy that places the customer and their needs at the centre of all business operations and activities. It is vital to fully understand the organisation's customers in order to identify marketing opportunities and plan activities. You need to be up to date with customer demographics and values, purchasing patterns and feedback.

Market research

Market research should be used to develop an understanding of customers. Marketing methods employed for one customer group may be different from those used for another.

Market research can be used to investigate:

- customer profile – demographic, geographic and psychographic characteristics
- customer size – in terms of income for individuals, or budgeted expenditure for businesses
- brand loyalty
- benefits sought by the customer from the product/service
- the decision-making process in purchasing the product/service
- the retail channel – where the customer purchases the product/service from
- information sources used to find out about the organisation and its products/services
- purchasing process
- purchase history, in terms of frequency and quantities.

Marketing feedback

To establish the outcome of any organisational marketing activity it is paramount that feedback is collated to enable the organisation to identify the need for future marketing activities.

Here are three main sources of marketing activity feedback.

Customer feedback

Feedback from current clients provides a unique insight into the marketing performance of the organisation. Current customers can provide relevant feedback on where and how marketing initiatives and improvements are needed in the future.

Direction from enterprise personnel

Senior management in the organisation guide the marketing initiatives of the business. Feedback from senior management is important because they will have important opinions about the marketing activities that are required and how current programs may be improved.

Organisational goals and objectives

Organisational goals and objectives directly affect the marketing activities and support required. For example, if the organisation's goals are to increase sales of a particular product then marketing activities and feedback must support this.

Development of new products and services

If the organisation is developing new products and services or extensions to existing lines, then marketing activities are required to support these initiatives.

Analysis of competitors

Organisations don't operate in a bubble – they compete against other organisations that are seeking to capture the same customers. Every organisation has competitors, even if they are not obvious at first.

Organisations must respond and adapt to the actions of competitors and seek to outperform them in marketing and meeting customer needs. This means having a thorough understanding of competitors in terms of their market share, brand, revenue goal and offerings.



Example: competitors

The Australian Football League (AFL) is the most popular sporting league in Australia in terms of attendances, television ratings and revenue. Who are the AFL's competitors? At first glance it could be assumed that the AFL doesn't have any competitors – after all, it is the only elite Australian Rules competition in the world.

In fact, the AFL is in direct competition with the other major football codes in Australia such as the National Rugby League (NRL), Super 14 and, increasingly, A-League Soccer. However, the AFL is also in indirect competition with all other sporting codes, not only for fan attendance but also for corporate support and sponsorship. The spending budgets of fans and sponsors are limited, and these groups have a large range of choice on how they spend their money.

In addition, the AFL also faces indirect competition from other organisations offering entertainment in one form or another. Every weekend, people make a decision about how to spend their entertainment budget and the AFL must compete with cinemas, museums, concerts and many other forms of entertainment.



Practice task 3

1. How does a thorough understanding of customers enable the organisation to market its products and services more effectively?

2. List your organisation's direct and indirect competitors.

1D

Investigate previous marketing activities

Marketing activities undertaken by the organisation should not be performed in isolation. All future marketing activities must be undertaken in the context of previous marketing activities. Looking at previous marketing activities and their effectiveness provides an indication of what activities should be used in the future.

Each type of marketing activity has benefits but this does not mean that it is suitable for all organisations to use. Advertising in major newspapers may attract business for a city-based clothing retailer but have no benefit for a manufacturer of drill bits.

Looking at the effectiveness of previous marketing activities provides an insight into what does and does not work for your organisation and the reasons why.

Assess the effectiveness of an activity

Many people believe sales and profits are the best and most reliable indicators of the effectiveness of a marketing activity. Although sales and profits can be an indication of effectiveness, there is a range of factors that need to be considered when determining which marketing activities work for an organisation.

Depending on the nature of the marketing activity used, assessing the effectiveness of an activity can be as simple as asking a set list of questions. Your organisation may have a standard assessment procedure.

Here are some example questions to ask when assessing activities.

Assessing marketing activities

- Did sales increase or decrease after the activity?
- How many customers initiated contact with the business in response to the activity?
- How many customers were prompted to purchase from the organisation as a result of the activity?
- Did customer inquiries increase?
- Did visits to the organisation's website increase?
- Has brand awareness grown?
- Has traffic flow into the store increased?
- What feedback have customers provided and was it predominantly positive or negative?
- Was the activity implemented smoothly – did it run on time and on budget?
- Did the organisation have sufficient resources to implement the activity?
- Was the activity suitable for the organisation, its strategies and the nature of its products and services?
- Did the activity reach its intended audience and communicate the desired message?

Example: assess marketing activities



Wayne is interested to find out whether his company has reached the sales target for a new product released three months ago. He is aware that the marketing activity plan has taken into account the learning from previous marketing activities. He decides that rather than relying only on sales and profit figures, he will do a thorough assessment of the marketing activity.

Wayne draws up a list of questions to help him to gather information that will give him a more precise understanding of the effectiveness of the marketing activity. Besides profits and sale figures, Wayne looks at the:

- number of customers who initiated contact with the business in response to the marketing campaign for the new product
- type of customer attracted (new, repeat)
- number of visits to the website
- number of customer inquiries
- number of store visits
- feedback received from customers in focus groups.



Practice task 4

1. What is the point of looking at the effectiveness of previous marketing activities?

2. What could sales figures and overall profit indicate?

1E

Create a profile of the market segment

Defining the market can be complex as it can include all actual and potential customers as well as the type of product and service offered. For example, if an organisation markets video games to men aged 17 to 30, the market could be described as male and youth orientated.

Another way to define an organisation's market is by answering the question: 'What business are we in?'

Perhaps the best way to define an organisation's market is to identify customer need and the products and services that could potentially meet that need. However, it is not a good idea to define your market too broadly.

You also need to analyse your competition in a meaningful way, by analysing the market segment they are targeting and how this overlaps with your organisation's goals.



Market segmentation

Most markets are made up of thousands, even millions, of potential buyers who each have their own needs and buying behaviours. There are very few organisations that can sell their products and services to the entire market – to do so is beyond the resources of most organisations.

Therefore, organisations segment the market. This means the organisation divides the market into segments or subsets of customers who have similar needs and exhibit similar buying behaviours. The organisation then chooses which market segments to focus on, and a unique marketing mix is offered to each segment.

Demographic segmentation

Customer needs, preferences, budgets and behaviours differ according to their demographic characteristics. For example, the way mobile phones are marketed to someone over 60 may be different from how they are marketed to teenagers.

Customers can be grouped using demographic variables such as:

- age
- gender
- marital/family/household status
- ethnicity
- education level
- occupation
- employment status
- home ownership/rental status
- income level.

Geographic segmentation

Geographic segmentation is used if it is considered that customer needs, characteristics and behaviours vary according to their geographic location. The organisation may then decide to focus its efforts on one or a few of these locations.

Customers can be grouped using geographic variables such as:

- urban, regional or rural location
- country
- state or territory
- region
- city or town
- suburb
- neighbourhood.

Psychographic segmentation

Psychographic variables influence what products and services customers buy, where they buy them from, why they buy them, and how much they are prepared to pay.

When marketing products and services to appeal to different psychographic segments, organisations promote their products and services as an expression of a particular lifestyle, attitude, value or belief.

Customers can be grouped using lifestyle variables such as:

- interests
- values
- attitudes
- beliefs
- personality traits.

Behavioural segmentation

The market is divided into groups of similar customers based on the customer's knowledge of, attitude towards, use of, or response to the organisation's product or service.

Below are listed five major behavioural variables used to segment the market.

Benefits sought

Customers are grouped according to the benefits they are seeking from the product or service. This is closely related to customer needs.

Usage status

Customers are grouped according to whether they have used the product or service before. Further division is possible into non-users, current users, ex-users, potential users and first-time users.

Usage rate

Customers are grouped according to how often they use or purchase the product or service into light, medium and heavy users.

Loyalty

Customers are segmented based on their level of loyalty to a particular brand, store or company.

Buyer readiness

Customers are grouped according to how ready they are to buy the product. Customers proceed through stages of buyer readiness, although not always in sequence:

- Unaware of the product
- Aware of the product
- Seeking information
- Informed about the product
- Interested in purchasing
- Intending to buy the product

Profile clients

When profiling your clients, you need to identify the need that drives their decision to purchase from your organisation. For example, is their need based on safety, aesthetics (the look of the product), performance, brand name, social or environmental concerns, price or quality? An answer to these questions, along with the information about market segments, establishes a profile of the segments your organisation deals with.

Here are some example questions when profiling clients.

Questions to ask when profiling

Has the client purchased the product from the organisation before?

How frequently does the client buy?

How much does the client buy each time?

Is the client loyal to the brand?

How does the client decide which brand to buy?

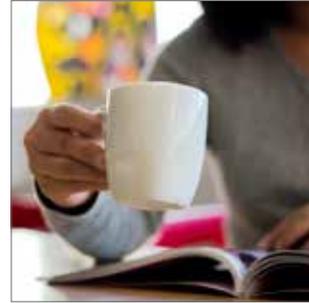
What aspects drive the client to purchase and how important is each aspect?

How and where does the client prefer to purchase the product or service?

Example: market segmentation

There are magazines that are aimed at men or women. For example, *Woman's Day*, *Who Weekly* and *New Idea* are all pitched firmly at women, whereas *Ralph* and *Men's Health* are targeted at men.

However, within each gender segment there are further segmentations based on demographics. For example, in the women's segment, *Woman's Day* and *New Idea* are aimed at women aged 28–45, whereas *Who Weekly* targets a younger market of women aged 16–35.



Practice task 5

1. Why do we need to identify profiles of market segments?

2. Name four methods of segmenting a market that you could use to target a marketing activity.

1F

Identify positioning and marketing mix for each target segment

In a product and service market, each organisation has a particular brand and occupies a position in the overall market. The brand and market position represent how clients view the organisation: what it stands for, its values and the quality of its products and services.

It is crucial that you understand how your organisation positions itself for each of the market segments you have identified. For example, will it focus on a niche market or a broad market taking in a range of demographic, psychographic and behavioural segmentations?

You also need to understand what is meant by the term 'marketing mix' so you can select appropriate marketing activities that are focused on your organisation's target segments.

Analyse the marketing mix

Advertising, sales and discounts, displays and signage, media releases and trade-show stands are all examples of marketing activities. However, these are representative of only one element of marketing: promotion. An organisation has four elements that it must use to meet the needs of customers:

- Product
- Price
- Promotion
- Placement

These four elements are called 'the marketing mix', or 'the 4Ps'.

Although promotion is a key element, it is only one element the organisation can use to communicate with and meet the needs of its customers. Looked at separately, each of these components is a marketing tool the organisation can use. The marketing mix concept recognises that these components must be combined and used in a consistent manner so they reinforce each other.

The organisation's marketing mix must match its marketing strategy – whether it be cost-leadership, differentiation or focus.

Product

The term 'product' is often used generally to describe any of the physical items or services that a business offers to customers to meet their needs. When we wish to be more specific, we can think of products (tangible items) versus services (intangible items such as actions).

In reality, there are few products that fit neatly into either the physical product or service category – most contain elements of both. This is known as the 'service-commodity goods continuum'. For example, a McDonald's fast-food outlet provides food (a physical product), but selling that product requires taking orders and cleaning tables (customer service).



From the customer's point of view, the organisation's product is represented by the product's core features and benefits.

Product features

The product features are the actual characteristics of the product or service.

Here is a description of product features.

Design

The specifications of a product; the tasks or actions carried out in a service

Quality

The level of product or service quality

Options

The various product or service options available, such as colours, sizes or durations

Packaging

The way the product is packaged and sold; when and how the service is provided

Service levels

The customer service provided

Assurance

Warranties, guarantees, training or after-sales support

Branding

The role played by the brand in the presentation of the product or service

Product benefits

The product benefits are what the customer has to gain by using the product or service. The benefits describe how the customer's needs will be met. Benefits can be tangible, such as having airbags in a new car; or intangible, such as the feeling of safety the customer has when driving that car.

The features or characteristics of the product or service provide the customer with benefits. It is important to identify the benefits offered by a product so the customer market can be identified and marketed to.

Product benefits for the customer include:

- safety
- performance
- aesthetics
- social or environmental responsibility
- price
- customer service.

Price

Decisions related to product pricing are important as the goal is always to maximise sales and reinforce the brand position of the product. This does not always mean setting the highest price possible. Some customers make a trade-off between price and quality and they will happily purchase an inferior-quality product if the price is lower. Pricing decisions must be made in line with the perceived value provided to the customer.

The best pricing strategies find a balance between:

- how much the customer is prepared to pay
- the cost of providing the product or service
- the organisation's objectives
- the other elements in the marketing mix (four Ps).



Pricing considerations

Developing an effective pricing strategy is essential because the price is the only element of the marketing mix that generates revenue for the organisation.

Here are some factors that affect the pricing strategy.

| Factors affecting the pricing strategy |
|---|
| The cost of producing or providing the product or service |
| Costs incurred in promoting the product or service |
| Prices charged by competitors |
| Brand image and market position of the organisation |
| Product image and market position |
| Target customers and their needs for purchasing |

Product strategy

Rate of return (profit) required

Pricing strategy

The pricing of a product or service will depend on a range of pricing factors.

Here are some examples of pricing strategies that can be used.

Premium pricing

A high price is charged because the product or service is unique, the brand name is strong, or the product or service has benefits that competitors' offerings do not have.

Penetration pricing

The price is set low because the product is new or unknown. This is done to penetrate the market and gain market share. When the product becomes established, the price is increased over time.

Economy pricing

The price is always set at a low level because the product occupies a low-end position in the market due to its quality or brand image.

Skimming pricing

A high price is charged initially because the product is new and offers unique features and benefits not previously available. Then, over time, the price is lowered as competitors enter the market or the product is superseded. (This is the opposite of penetration pricing.)

Bundle pricing

Products and services are sold as a package or 'bundle' with the price set lower than if each product or service were to be purchased individually. This is common when add-on products are included.

Competitive pricing

Determining what competitors are charging for the same or a similar product or service and setting your prices at a similar level.

Market research pricing

Undertaking market research to determine how customers view the product or service, the organisation and its brand name in order to determine what customers are willing to pay for the product or service.

Promotion

Each type of promotional tool has its advantages and disadvantages. The most suitable mix or balance of promotional tools depends on the nature of the organisation, its products and services, industry and brand position.

Elements of the promotional mix

Although not all promotional tools will be applicable to your business, you should still use a mix of tools in a coordinated manner that supports the overall marketing and promotional strategy. Here are eight promotional tools that are commonly used.

1. Personal selling

Personal selling refers to the oral presentations made by representatives of the organisation to customers.

The organisation's representatives become the face of the business to the customer.

2. Sales and special offers

Sales and special offers refer to short-term campaigns or incentives designed to encourage customers to purchase the product or service.

For example, a two-for-one promotion or a '15 per cent off all stock' sale.

3. Public relations

Public relations activities are aimed at generating favourable publicity (media coverage, people talking about the organisation, 'likes' on social media) in order to create a good image of the organisation in the public domain.

Public relations differs from advertising in that the coverage is not usually paid for.

4. Direct marketing

Direct marketing is the promotional activities targeted to individual customers to achieve a response, usually a sale.

Customers can be contacted directly through channels such as emails, mail-outs or phone calls.

Organisations can use their own database of customer contacts, or purchase access to a database.

5. Trade fairs and exhibitions

A stand or display at a fair or exhibition may be used to promote and demonstrate your products or services. Many sectors hold trade fairs that bring together members of an industry to discuss trends, developments and issues for the future. Exhibitions are open to the public and allow you to showcase your business to potential customers.

6. Advertising

Advertising refers to non-personal communication with customers and the public in general via mass-communication media such as print, television, displays, signage and radio. As with direct marketing, advertising is designed to elicit a response from customers such as a sale. It is also used to generate favourable attitudes to the organisation, create brand awareness and transmit important product and service information.

7. Organisation website

This organisation's website is a promotional tool that provides customers with information on the organisation, its products and services, prices, locations and other important details that can be accessed at all times, not just during business hours. Well-written content, such as regular blog articles on topics likely to interest your customers, will draw new and repeat visitors.

8. Client or supplier events

Client or supplier events are functions that reward important customers or suppliers for their support by premiering new products or services or creating a feeling of membership.

This strategy is often used in the retail industry; for example, inviting customers with store cards to a Christmas shopping evening.

Factors that affect the choice of promotional tool

Organisations must consider several important factors when weighing up which tools from the promotional mix to use.

Here are some points to consider when deciding on which tool to use.

Organisational resources

Many businesses would like to use mass-media communications such as advertising on television during prime time but this is not a possibility for everyone. Management must select the promotional tools that are within their reach, not only in terms of money but also time and expertise.

Nature of the product or service

Products and services lend themselves to different promotional tools. For example, shampoo is suitable for mass-media promotion, such as television advertising, because it is a frequently purchased item that is bought without major consideration. Washing machines are suitable for personal selling because they are a major purchase and customers will want to compare models and ask questions.

Market position/brand image

The market position and brand image directly affects which promotional tools are used. Promotional tools may be more or less suitable for organisations occupying high- and low-end market positions. For example, an expensive perfume is suited to full-page advertisements in glossy magazines. A closing-down sale is suited to letterboxing flyers in surrounding suburbs and radio advertising on a local station.

Promotional strategy

Organisations use promotions to achieve a range of goals.

Here are some major promotional strategies that organisations will use in various campaigns.

Promotional strategy

1**Informing strategy**

The organisation wants to inform the customer of a particular product or service and explain its features and benefits. This strategy is most useful for new products and to create a recognisable brand.

2**Persuading strategy**

The organisation wants to create a favourable impression of its brand name and its products and services. This involves informing the customer of the features and benefits offered. It also involves comparing these features and benefits to those offered by competitors.

3**Image creation strategy**

The organisation wants to create an image for the brand and product. This type of promotion may not focus on the characteristics of the product or service at all. It is common in fashion and alcohol promotions.

4**Reassurance strategy**

The organisation focuses on customers who have already purchased the product or service and seeks to reassure them that they have made the right choice. This type of promotion is about encouraging brand loyalty.

Placement

Placement represents the channels of distribution the organisation uses to sell its products and services to customers. Placement activities are the tasks involved in actually getting the product or service to the customer. For some organisations this may seem obvious. For example, the distribution channel for a retailer is the network of stores that customers visit. For a doctor, this is the clinic that patients visit.

However, for some organisations, the placement decision is a little more complicated; for example, manufacturers or consumers of industrial products, and wholesalers who can sell through several channels.



Types of distribution channels

The distribution channel chosen by an organisation, defined by the type of business, its strategic direction and its policies and procedures, must provide the product or service to the customer in the right place and at the right time to meet their needs.

Here are the two types of distribution channels that could be used by an organisation to sell its products and services.

Indirect distribution

Indirect distribution involves distributing products through intermediaries who then distribute it to the end-user or customer. This is common in manufacturing industries. The manufacturer distributes the product to a wholesaler, who distributes it to a network of retailers, who then sell it to the customer.

- Manufacturer
- Wholesaler
- Retailer
- Customer

Direct distribution

Direct distribution is when the manufacturer of the product sells directly to the customer. This is common in markets for larger products, such as mining equipment, as well as for service providers who provide their service straight to the customer.

- Manufacturer/service provider
- Customer

Types of distribution intermediaries

For most organisations selling a physical product, getting the product to the customer usually involves third parties or intermediaries. This relationship represents the organisation's distribution channel: all of the organisations through which the product passes between production and being sold to the customer.

The main intermediaries used in the distribution channel and the role they take is described below.

Retailers

Retailers operate outlets that sell goods or services directly to household consumers and the general public.

Wholesalers

Wholesalers provide a range of products from several manufacturers or producers. Wholesalers usually specialise in a particular product category, such as whitegoods, and then on-sell to retailers.

Distributors and dealers

Distributors and dealers are similar to wholesalers because they specialise in a product category, but unlike wholesalers, they sell to the general public rather than to retailers; for example, Campbells Wholesale.

Franchises

Franchises are independent businesses that provide a branded product or service for which they pay a licence fee and a share of profits to the licensor. Examples include KFC and Jim's Mowing.

Internet

Although the internet is not an intermediary in itself, many retailers and wholesalers are choosing to sell products to customers (or business to business) via the internet. As such, the internet must be considered as another distribution channel.

Intensity of distribution

Once the organisation decides on a distribution strategy, which may involve one or more intermediaries, the intensity of distribution refers to how many categories of intermediary the organisation uses to get its products to the customer.

The three levels of intensity are shown below.

Intensive distribution

The organisation seeks blanket coverage by using all available outlets. This is common for product categories in which customers have a wide range of options and brands to choose from – if one brand is not available then the customer will simply buy another brand. Many items found in supermarkets fit this category.

Selective distribution

The organisation uses a limited number of distribution outlets to sell its products. The organisation selects the most appropriate outlets for distributing its products and focuses its efforts and training support on them. This is an effective strategy when customers are 'brand loyal' and will seek out suppliers who have a particular brand. Common examples are clothing and electronics.

Exclusive distribution

The organisation is particularly selective in its choice of distributors and uses only one retailer or wholesaler. This is generally only used for organisations with strong brands that can afford to have customers seek them out.

Example: product features

A probiotic product containing live beneficial bacterial cultures was launched into the Australian market in 1994. Australians were not aware of what the probiotic was, what benefits it could provide and why they should purchase it.

In formulating a promotional strategy, the company needed to promote its own product and also the market for probiotics. The company used:

- informing strategy to create awareness of the product and the brand name
- persuading strategy to develop interest in the product and brand and to convert this information about the product and the brand into purchases.

The company used a range of promotional tools as part of its promotional mix:

- Magazine and television advertising was used to inform consumers on the health benefits of the product. Advertisements highlighted the significance of a balanced digestive system in relation to good health.
- The company developed a website that provided extensive information on the organisation, its products and information on personal health and the benefits of probiotics.

As a result of the promotional efforts of the product, the Australian probiotics market grew to \$48 million over 11 years.

(Source: www.yakult.com.au)

Practice task 6

1. What are the four elements that make up the marketing mix?

2. Name four promotional tools you could use to sell your product or service.

3. What is a distribution intermediary?

4. When would you use a distribution intermediary?

1G

Identify the outcomes expected from the marketing activities

The outcomes expected from marketing activities should align with the organisation's objectives. The objectives are what the organisation aims to achieve as a result of its marketing activities.

For example, if the business has an overall goal to increase return on investment by 10 per cent in Western Australia, the marketing outcomes may be to:

- increase brand awareness by 15 per cent
- develop strategic relationships with three state-wide distributors
- increase market share from 17.5 to 22.5 per cent
- increase the percentage of repeat customers from 7 per cent to 15 per cent of total customers.



Types of marketing outcomes

The types of marketing outcomes that are set for your organisation will vary depending on the nature of the organisation, the types of products and services it offers, and its market position.

Below are some marketing outcomes that can relate to many marketing objectives.

| Marketing outcomes |
|--|
| Increasing sales and profits and market share |
| Increasing awareness and knowledge of the organisation, its products and services, and its overall brand |
| Modifying the image of the organisation |
| Changing customers' attitudes to the organisation, its products and services, and its overall brand |
| Increasing the response to a product, service or brand from customers |
| Retaining existing customers |

Develop marketing outcomes

All businesses need to develop marketing outcomes or objectives to:

- formally outline what they expect to achieve as a result of their marketing efforts
- enable marketing performance to be measured and compared to expected outcomes to determine whether marketing activities were successful
- motivate team members and coordinate efforts to achieve a common goal.

Marketing outcomes or objectives need to be SMART (specific, measurable, attainable, relevant and timely).

Specific outcomes

Outcomes must be clear and precise about what is to be achieved. They should not be open to interpretation. Outcomes must be straightforward and focused.

Here is an example of a poorly written outcome versus a well-written (or specific) outcome for sales staff at a gym.



Poorly written outcome

Improve organisational performance.



Specific outcome

Improve organisational performance by increasing the number of new customers joining and retaining existing customers.

Measurable outcomes

Outcomes should be quantifiable; that is, they should be expressed as a number, ratio, fraction, frequency or something that can be directly measured. A measurable outcome helps the business stay on track to achieve it.

Here is an example of a poorly written outcome versus a well-written (or measurable) outcome.



Poorly written outcome

Improve organisational performance by increasing the number of new members joining and retaining existing members.



Measurable outcome

Improve organisational performance by increasing the number of new members joining to 100 per quarter and retaining 60 per cent of existing members.

Attainable outcomes

Outcomes set must be achievable with the organisation's available resources; that is, people, money, equipment, time frames and environment. People will not commit to outcomes if they believe they are unachievable.

Here is an example of a poorly written outcome versus a well-written (or attainable) outcome.



Poorly written outcome

Improve organisational performance by increasing the number of new members joining to 500 per quarter and retaining 100 per cent of existing members.



Attainable outcome

Improve organisational performance by increasing the number of new members joining to 100 per quarter and retaining 60 per cent of existing members.

Relevant outcomes

The desired outcomes must be relevant to the people who must achieve them. Relevant outcomes give people a sense of control and responsibility.

Here is an example of a poorly written outcome versus a well-written (or relevant) outcome.



Poorly written outcome

Improve organisational performance by increasing profits by 15 per cent in the next financial year.



Relevant outcome

Improve organisational performance by increasing the number of new clients joining to 100 per quarter and retaining 60 per cent of existing clients.

Timely outcomes

Achievement time frames must be placed on all outcomes. Time frames can be long- or short-term depending on the desired outcome. Time frames provide a clear target for people.

Here is an example of a poorly written outcome versus a well-written (or timely) outcome.



Poorly written outcome

Improve organisational performance by increasing the number of new members joining to 100 per quarter and retaining 60 per cent of existing customers.



Timely outcome

Improve organisational performance by increasing the number of new members joining to 100 per quarter by January 2016 and retaining 60 per cent of existing clients over the 2015–2016 financial year.

Marketing outcomes

Marketing outcomes can be divided into five categories, as shown below.

Marketing outcomes



Sales/profit level

- Level of sales/profits



Target market

- Total market share
- Share of particular market segments
- Share of particular channels of distribution; for example, retail or wholesale



Customers

- Total number of customers
- Total number of customer inquiries
- Total/percentage of new customers
- Total/percentage of retained or existing customers
- Perceptions of customer service



Promotional

- Brand awareness
- Brand recall
- Brand image
- Website traffic
- Number of product trials
- Number of promotions undertaken

**Placement**

- Total number of distributors
- Total/percentage of new distributors
- Total/percentage of retained or existing distributors
- Customer delivery times

Example: identify marketing activity outcomes

Here is an example that shows marketing outcomes sought by various types of organisations. Notice how the outcomes vary depending on the nature of the organisation and the business it is in.

| Organisation | Marketing outcomes |
|--------------------------------|---|
| Manufacturer of chocolate bars | <ul style="list-style-type: none"> • Increased sales • Increased brand awareness • Increased number of distributors stocking the product • Increased range/number of products offered • Increased shelf space given to the product in customers' stores |
| Political party | <ul style="list-style-type: none"> • Increased voter awareness of the party and its policies • Improved brand image and understanding of what the party stands for • Increased number of votes • Increased number of seats in parliament • Increased funds raised for election campaigns |
| Entertainment venue | <ul style="list-style-type: none"> • Increased sales • Improved perception of customer service • Increased awareness of venue, accessibility and facilities • Increased total number of seats sold • Increased percentage of sell-outs • Increased number of performances • Increased customer satisfaction with performances • Reduced number of customer complaints • Increased number of volunteers enlisted • Increased number of subscribers |

Practice task 7

Read the following marketing outcomes and rate them against the SMART framework in this table. Tick the boxes to indicate whether each outcome is specific, measurable, attainable, relevant or timely.

| Outcome | SMART | | | | |
|--|-------|---|---|---|---|
| | S | M | A | R | T |
| Improve organisational performance | | | | | |
| Improve organisational performance by increasing sales and brand awareness, and reducing customer complaints | | | | | |
| Improve organisational performance by increasing sales by 15 per cent and brand awareness by 35 per cent, and lowering the number of customer complaints to less than 50 | | | | | |
| Improve organisational performance by increasing sales by 50 per cent in the next month | | | | | |
| Reduce product manufacturing faults by 20 per cent within the next six months | | | | | |
| Improve organisational performance in the next six months by increasing sales by 15 per cent and brand awareness by 35 per cent, and reducing customer complaints to fewer than 50 per quarter | | | | | |

Summary

1. The marketing philosophy that drives your organisation and the marketing activities it chooses to implement is determined by the size of the organisation, the type of business operations, the type of clients and client values.
2. A marketing plan is a detailed, written plan that outlines the steps the organisation will take to achieve its goal of meeting and exceeding customer needs through its marketing activities.
3. It is important to understand organisational policies and procedures and legislative requirements that affect how marketing activities should be conducted.
4. The organisation may select a cost-leadership, differentiation or focus marketing strategy.
5. When planning marketing activities you need to analyse previous marketing activities, current marketing strategy and the marketing mix.
6. Market segmentation involves dividing the market into subsets of customers who have similar needs and exhibit similar buying behaviour.
7. The market can also be segmented using demographic, geographic, psychographic and behavioural variables.
8. The organisation must select the segment or segments it wishes to focus its marketing efforts on; these segments represent the organisation's target market.
9. Marketing activity outcomes should accord with the organisation's objectives.
10. Marketing objectives must be developed for sales levels, profits, target markets and promotions. These should be developed using the SMART framework.

Learning checkpoint 1 Research marketing information

This learning checkpoint allows you to review your skills and knowledge in researching marketing information.

Part A

1. In one or two paragraphs, describe your organisation's concept of marketing. Explain the factors that have contributed to it developing this concept.

2. Provide an example of how marketing activities are governed by legislative requirements, using this table.

| Legislation | Example |
|------------------------------|---------|
| Work health and safety (WHS) | |
| Anti-discrimination | |

continued ...

... continued

| Legislation | Example |
|---------------------|---------|
| Consumer protection | |
| Privacy | |

3. Explain why it is important to understand ethical principles before you assist in marketing activities.

4. Describe a specific organisational procedure relating to a marketing activity identified in the marketing plan and explain how you can comply with the procedure when preparing and implementing the activity.

5. Describe the type of research you need to do when investigating marketing information.

6. Explain why researching previous marketing activities is important.

Part B

1. Identify a major client segment for your organisation, or one that you are familiar with, by completing the following table.

| | |
|--|---|
| What does this client segment buy from the organisation? | |
| Demographic characteristics | Age range: Gender: Income range: |
| Geographic characteristics | <input type="checkbox"/> Local <input type="checkbox"/> Regional <input type="checkbox"/> Rural <input type="checkbox"/> National |
| Psychographic characteristics | Lifestyle: Values: |
| Benefits sought by the client | <input type="checkbox"/> Safety <input type="checkbox"/> Performance <input type="checkbox"/> Aesthetics <input type="checkbox"/> Social responsibility <input type="checkbox"/> Economic |
| How frequently does the client buy? | <input type="checkbox"/> Daily <input type="checkbox"/> Weekly <input type="checkbox"/> Monthly <input type="checkbox"/> Annually |
| How much does the client buy each time? | |

continued ...

... continued

| | |
|--|--|
| Is the client loyal to the brand? | |
| How does the client decide which brand to buy? | |
| Where does the client prefer to purchase the product or service? | |

2. Summarise in one sentence the target segment/s your organisation markets to; for example, women who use beauty services in central Sydney; dental practices Australia wide.

| |
|--|
| |
|--|

3. Analyse two past marketing activities carried out by your organisation, or one that you are familiar with, and evaluate the effectiveness of each activity using this table.

| Marketing activity | Effectiveness |
|--------------------|---------------|
| | |
| | |

4. Explain what is meant by the term 'marketing mix'.

5. Analyse the current marketing mix for a target segment your organisation markets to (or one you are familiar with) and describe the expected outcomes for the marketing strategies employed. Use the information in this table to note your response.

| Marketing mix element | Analysis | |
|-----------------------|----------------|------------------|
| Product | Feature | Benefit/s |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| Price | | |
| | | |
| Promotion | | |
| | | |

continued ...

... continued

| Marketing mix element | Analysis | |
|---|----------------|------------------|
| Placement | Feature | Benefit/s |
| | | |
| | | |
| | | |
| Expected outcomes for marketing strategies: | | |

Topic 2

Plan marketing activities

After a thorough analysis of the market and client, the next step is to develop and plan marketing strategies. A key tool is the marketing plan, which outlines the steps the organisation will take to meet client needs through its marketing activities.

An effective marketing strategy requires many tasks to be performed. Some tasks may be small and insignificant but, when taken together, act to develop long-term relationships with clients. The marketing plan guides all marketing activities to ensure they are consistent with the overall marketing strategy.

In this topic you will learn how to:

- 2A Analyse the market
- 2B Develop work activity plans for marketing activities
- 2C Obtain approval for marketing plans

2A

Analyse the market

When analysing the market, your aim is to produce a comprehensive picture of the clients, their needs and the market in which they operate.

Here are the points you need to consider when analysing the market.

| Market analysis |
|---|
| A definition of the market you are dealing with; market size, growth rate, other statistics |
| Basic market segmentation |
| SWOT analysis |
| Competitor analysis |
| Results of previous marketing activities – effect on market share, sales and profits |
| Target-client profiles |

Analysis

Marketing information must be analysed effectively in order to:

- define the market that your organisation competes in
- determine the market's size and growth rate
- identify the customer segments that exist in the overall market
- select key segments to target with your product or service offerings.

Define the market

Make sure you can accurately define the market your organisation competes in. For example:

- A city bakery offers a wide selection of goods to clients drawn from a wide geographic area with varied demographics and lifestyles.
- A phone company targets its new generation products to 'early adopters' (those people who want the latest telecommunication devices).



Once you have identified the markets your organisation is competing in, identify the market segments (based on demographics, geographics, psychographics and behaviour) and select the segments the organisation wishes to focus its marketing activities on. You now need to analyse the target market more thoroughly.

Size and growth rate

Once the market has been accurately defined, consider its size and growth rate. The market's growth rate is important because it provides information on the profitability of the organisation.

In rapidly increasing markets, competitors will enter the market to gain a share of the profits. In markets that have decreased significantly over time, you need to analyse the underlying reasons and determine if that particular market is sustainable.

It can be difficult to gain accurate measures of the size and growth rate of a market. Here are two useful information sources.

Australian Bureau of Statistics (ABS)

The ABS collects data on all markets and provides statistics on market size, segments and growth rates over a period of time. As the ABS is a government organisation, much of this information is available free of charge or at a low price. ABS data is excellent for providing an overall picture of the market.

You can read more about the Australian Bureau of Statistics at: www.abs.gov.au.

IBISWorld

IBISWorld researches over 500 industries in Australia and provides a detailed report for each industry with statistics, analyses and forecasts. Information is provided on market segments, developments and competitors. IBISWorld industry reports are expensive but detailed. Samples of all reports are available free of charge.

You can read more about IBISWorld at: www.ibisworld.com.au.

Competitor analysis

Once the market has been divided into segments, the organisation must select the segment or segments it wishes to focus its marketing activities on. These will be the 'target markets'. When evaluating each of the segments in the market, there are several factors that must be considered to determine whether the segment should be targeted.

Here are two factors that need to be investigated when evaluating a target market.

Segment size and growth

A segment should only be targeted if its size and/or growth rate is enough to make it potentially profitable for the business. Also, the spending power of the segment must be sufficient to sustain itself.

Accessibility

The segment must be relatively easy for the organisation to access and communicate with effectively. If the segment is difficult to reach, then the organisation will not be able to accurately target it.

Threat of competition

Competitor analysis must be ongoing. Your organisation must respond to the actions of competitors. Your job may be to analyse competitors – their products, brand awareness, market share and competitive advantage.

Here are some questions to ask yourself when looking at threats from competitors.

Level of competition

What is the level of competition in the market segment?

Needs of the segment

Are the needs of the segment already being adequately met by one or more of your competitors?

Competition

Will your organisation be able to compete with these organisations for the segment's business?

Competition

There are further steps you need to take to analyse your competition.

Here are examples of what to do, to analyse your competition.

Analysing your competition



Current versus potential competitors

Current competitors are those that are already in the market, offering a competing product or service. Potential competitors are those organisations that may enter the market in the future.



Direct versus indirect competitors

Competitors can be direct or indirect. Direct competitors offer the same product or service. Indirect competitors do not offer exactly the same product or service but compete with the organisation for the same customers. These competitors may not be as obvious as direct competitors.



Product offerings

The type of product or service offered by competitors and its relative features and benefits must be analysed because these factors will influence how your organisation's products and services are marketed. In addition to features and benefits, the manner in which competitors market their product must also be analysed.



Market position and brand

Each competitor has a particular brand and occupies a certain position in the overall market. The brand and market position represent how customers view the organisation, what it stands for, its values and quality. The brand and market position of competitors relative to your organisation will affect when and how marketing activities are used by your organisation.



Size, growth and market share

The relative size, growth and market share of competitors must be monitored to determine your organisation's marketing response. The actions of larger competitors with significant market shares will directly influence how you market your organisation's products and services.



Competitive advantage

A competitive advantage is something the competitor does better than other organisations. A competitive advantage is a resource that provides a unique selling point for a competitor, such as a well-known brand, proprietary technology, excellent customer service or superior product quality.

Analyse political, economic, social and technological factors

It is worthwhile to analyse the current political, economic, social and technological factors that may affect the marketing activities you plan.

Political analysis

The political environment is a macro-environment factor for an organisation and refers to the actions by governments, departments, laws, agencies and pressure groups that affect how the organisation operates. These pressures are in force not only in Australia but also in other countries in which the organisation has operations.

Political variables

The decisions made by governments and their agencies can directly affect the organisation and its marketing activities. Political factors can have a broad effect on all organisations, or can be directed towards particular areas or industries.

Here are some of the political variables that you may need to analyse.

Political variables

The level of political stability and the risk of political instability; for example, frequent changes of government that destabilise the economy

Laws and regulations that affect the organisation's business operations

Taxation levels

Competition and pricing regulation; for example, in Australia the Australian Competition and Consumer Commission (ACCC) regulates competition

Employment legislation and minimum wage conditions

Employee health and safety legislation and regulations

Consumer protection legislation

Other laws and regulations that may affect marketing activities, such as:

- anti-discrimination legislation
- media ownership and advertising regulations
- environmental legislation
- privacy legislation.

Economic analysis

The economic environment refers to the factors that affect income levels, purchasing power and buying patterns of customers. These are macro-environment forces that affect the entire nation. Prevailing economic conditions affect how your organisation markets its products and services.

Examples of major economic variables

- Interest rates
- Exchange rates
- Inflation rate
- Unemployment levels
- Skill levels of labour force
- Economic growth rate
- Income levels and percentage of disposable income
- Stability and efficiency of financial markets
- Consumer and business confidence levels
- Quality of infrastructure

Social analysis

People's beliefs, attitudes and values influence what they purchase, why they purchase and where they purchase. As society values change, organisations must be aware of these changes so they can alter their products, services and marketing efforts accordingly.

Social and cultural variables

The cultural environment plays an important role in the interactions between organisations and their customers. Cultural values are the beliefs and values held by people in a particular culture. These can affect consumption patterns and customer preferences and desires for particular product and service categories.

Examples of social and cultural variables

- Family/household make-up
- Birth rates and propensity to start a family
- Gender roles in the family
- Environmental concerns
- Diet and health
- Class structure and equality
- Leisure interests

Technological analysis

The technological capabilities of society and changes in technology directly affect organisations, the products and services they offer and the marketing techniques they use. For example, the internet has revolutionised not only the way customers purchase products and services but also the marketing activities used by organisations.

Technological variables

Technological changes do not only affect how organisations sell and market their products and services; they also have repercussions throughout the value chain such as with the supply and ordering of inventory.

Here are some ways that your organisation could be affected by changing technology.

Technology may impact:

- current products and services and how they may need to be altered
- how the organisation markets its products and services
- the cost structure of the business and areas where costs can be reduced
- customers and how they consume the product or service.

Conducting a SWOT analysis

A SWOT (strengths, weaknesses, opportunities, threats) analysis is a marketing tool that helps take all of the information from the situation analysis and put it into context for the organisation. The situation analysis should classify all of the major factors in the organisation's marketing environment into the SWOT framework.

Here are the two steps of the SWOT analysis.

1. Internal analysis

Looks at the strengths and weaknesses of the organisation based on its resources and capabilities.

2. External analysis

Looks at the opportunities and threats in the external environment that confront the business.

Strengths

Strengths are the things the organisation does well – or at least does better than its competitors. Strengths are a source of competitive advantage for the business.

Here are examples of strengths that could underpin an organisation.

| Organisational strengths |
|--|
| The product or service and its features and benefits |
| Established brands |
| High brand awareness |
| Customer loyalty |
| Staff with marketing expertise |
| Technological resources |
| Good supplier networks |
| Patents |

Weaknesses

Weaknesses are areas where the organisation is weak or vulnerable relative to competitors.

Here are examples of weaknesses.

| Organisational weaknesses |
|---|
| Small market share |
| Poor brand awareness |
| Lack of marketing experience |
| Poor finances |
| Obsolete technology |
| Rundown or poorly located retail stores |
| No established market position |
| Poor-quality products or services |

Opportunities

Opportunities are factors in the external environment that the organisation can use to gain an advantage over competitors. These are opportunities for all organisations in the industry.

Here are examples of opportunities.

| External opportunities |
|--|
| Growing markets |
| New markets |
| High levels of consumer or business spending |
| Elimination of trade barriers |

Development of freer markets

Social changes that make the product or service category more popular

Threats

Threats are factors in the external environment that present a risk or challenge to the business.

Here are examples of threats.

External threats

Actions and resources of competitors

New competitors entering the market

Intense competition and price wars between existing competitors

Low customer awareness and brand loyalty for all brands in the market

Availability of new or substitute products and services

Changes to laws and regulations

Social changes that make the product or service category less popular

Example: market analysis

After several months of not being able to find work, Jethro puts his savings into starting his own business by purchasing a coffee van. He plans to visit factories in the three large industrial areas of the city to sell coffee and sandwiches.

Unfortunately, Jethro does not develop an activity plan for marketing purposes, and fails to identify the threats from competitors. He soon discovers that the three sites are already being served by another coffee provider who has long-standing customer relationships with the factory workers.

Jethro realises that had he been better prepared, he would have identified all the factors that could affect his success. He does some reading on market analysis and attends a seminar at his local business advisory council. In hindsight, he realises that he should have:

- identified the market segment in more detail
- researched and analysed current and potential competitors, their market brand and position
- established what his competitive edge would be
- noted the political, economic, social and technical factors that could affect his marketing plan
- carried out a SWOT analysis.

With his newfound knowledge, Jethro feels confident that he can find a market for his coffee van business. However, his lack of planning has cost him valuable time and money.



Practice task 8

Fill in this table by giving specific examples of political, economic, social and technological factors that could affect an activity plan for marketing. Check the news, business, technology and features pages of a major newspaper for ideas.

| Factors | Examples |
|---------------|----------|
| Political | |
| Economic | |
| Social | |
| Technological | |

2B

Develop work activity plans for marketing activities

The next step is to develop work activity plans, taking into consideration the findings from all the analysis you have carried out. This ensures that the correct market segment is targeted with appropriate activities.

There are key points that a work activity plan needs to specify.

What to specify in a work activity plan:

- What needs to happen
- Who needs to do it
- When it needs to be done by
- Standards and expectations
- Cost

Marketing activities and implementation plans

All marketing activities necessary for implementing the marketing strategy must be specified. Each marketing activity must be broken down into a series of smaller activities or sub-tasks.

Against each activity, list the plans for its implementation. This includes the budget available, the people who are required, the physical resources needed, the time line for completion and how it will be implemented. The details should be comprehensive enough to allow managers and others to read the plan and understand the scope of the activity, who is involved and when it will be undertaken.



Financial plans

Develop a supporting budget that shows the projected expenses for the marketing campaign. Expenses are estimated by determining the costs associated with labour, materials, equipment and other resources required. In-kind expenses such as the provision of workstations, printers, faxes, phones and computers also need to be calculated.

Double-check financial allocations with your manager/supervisor to confirm you have listed the correct amount. Make sure all costings have been identified to ensure there are no hidden costs; for example, have you considered the cost of shipping sample packs to clients?

Human resources plans

All necessary resources required for each activity need to be allocated. These resources include the people in the organisation who are taking part in the marketing activity, and possibly outside consultants or specialists. When allocating people you can list the name of the specific person who will be implementing the marketing activity or you can designate which role/s will be responsible.

Marketing activities draw on human resources in the form of:

- marketing staff
- general administrative staff
- desktop publishers, graphic designers and photographers
- copywriters
- printers, sign-writers, tradespeople
- web designers and IT staff
- accounting and finance staff
- human resources staff.

Other resources

Besides human resources, you will need to think about material resources, such as the following.

Other resources to plan for include:

- computers
- sales equipment
- meeting rooms
- vehicles
- machinery
- display stands
- promotional materials.

Time lines

A time line of when each activity will be completed must be provided to guide the marketing activity and keep it on track to meet deadlines.

Check time lines with your manager/supervisor to confirm expected dates. Be aware that external circumstances may cause dates to change, so have contingency plans ready to ensure activities are implemented as planned.



Monitor and evaluate activity plans

A crucial responsibility when developing work activity plans is to ensure you include how each activity will be monitored, evaluated and reported on. Specify the reporting procedures for each activity in terms of who is accountable and any reports that must be completed.

How this is done may depend on the type and duration of each activity. For example, management may require a daily, weekly or monthly progress report. Results are important as it may mean the activity needs to be modified immediately.

There needs to be provision in the activity plan to show how you will assess the effectiveness of all marketing activities and identify whether the outcomes were met. Outline how performance will be monitored and assessed for each activity.

Example: activity plans

Claire is the marketing assistant at the head office of an organisation that operates a chain of gymnasiums. The organisation has decided to run a marketing initiative designed to increase memberships through direct marketing. Existing members will be contacted first by mail, with a promotional flyer outlining an offer to encourage them to provide the names of friends and family who may like to join, in exchange for receiving a discount on their monthly membership. The flyer will be accompanied by a personal letter. If members have not responded to the offer within two weeks, they will be contacted by telephone to find out whether they received the initial letter and be encouraged to take advantage of the offer.

Claire devises a work activity plan to help her implement this marketing initiative.

| Marketing activity | People required | Resources required |
|--|---|--|
| Prepare flyers and write personal letters and telemarketing script | Marketing assistant (Claire) and marketing manager (Rod) | <ul style="list-style-type: none"> • Computer with desktop publishing software • Stationery • Workstation, office equipment • Meeting room • Access to member database • Records of previous campaigns |
| Conduct telemarketing campaign | Marketing assistant (Claire) Two temporary staff to make follow-up phone calls | Two workstations with telephones and computers for temp staff to record details of follow-up calls in the database |

Practice task 9

1. What details need to be incorporated into a work activity plan for marketing?

2. Explain why you would use a SWOT analysis.

2C

Obtain approval for marketing plans

The last step of the marketing planning process is to obtain approval for the plan from the relevant people in the organisation. Depending on the nature of your organisation, its structure, and your role in it, approval may be required from a several people or departments.

Approval is required at the beginning of the marketing campaign but may also be required during the project as various stages are completed. Gaining approval may require you to prepare a presentation or report to provide to organisational personnel.



Obtain approval

There may be additional approval required if the budget for your marketing plans goes above a particular level. Larger organisations often have several levels of authority for expenditure, with approval being required from the next person up in the hierarchy when the project budget exceeds a certain amount.

Personnel who may be involved in approving a marketing plan:

- Owners
- Managers
- Section/area leaders
- Coordinators
- Supervisors
- Team leaders

Example: planning information

Rebecca presents an innovative idea to senior management about ways to expand the company's market share by introducing a new way to view their product online. Senior management are enthusiastic but request more information about existing and new markets; the costs and resources required to make the change; and how it will affect their position with regard to current and potential sales.

Rebecca decides to develop a plan in order to provide this information to senior management, as she feels this is a good strategy to gain formal approval for the project.



Practice task 10

Why do you need to seek approval for your marketing plan?

Summary

1. To understand clients, you need to undertake market segmentation and profile your target clients to learn about their needs and values.
2. To understand the market, you need to analyse the market size and growth rate, the competition, and the effectiveness of previous marketing activities in terms of increased market, sales and profits.
3. Markets and organisations can be affected by internal and external factors, which may be political, economic, social and technological.
4. Work activity plans specify the marketing activities to be undertaken, the people and resources allocated to marketing activities, along with the budget, time line, reporting requirements and procedures for monitoring performance.
5. Approval for marketing plans must be obtained according to organisational policy and procedures.

Learning checkpoint 2

Plan marketing activities

This learning checkpoint allows you to review your skills and knowledge in planning marketing activities.

Part A

1. Analyse the current situation for each of the following areas in relation to your organisation and the impact they may have on planned marketing activities. Fill out the following table or present the information in your own way.

| Area | Impact on marketing activities |
|--------------------|--------------------------------|
| Political analysis | |

continued ...

... continued

| Area | Impact on marketing activities |
|-------------------|---------------------------------------|
| Economic analysis | |

continued ...

... continued

| Area | Impact on marketing activities |
|------------------------|--------------------------------|
| Social analysis | |
| Technological analysis | |

2. Analyse two major competitors of your organisation, current or potential, against the following criteria.

| | Competitor 1 | Competitor 2 |
|---------------------------------|--------------|--------------|
| Name of competitor | | |
| Current or potential competitor | | |
| Direct or indirect competitor | | |
| Product/ service offerings | | |

continued ...

... continued

| | Competitor 1 | Competitor 2 |
|---------------------------------|---------------------|---------------------|
| Market position/ brand image | | |
| Size, growth and market share | | |
| Competitive advantage | | |
| Brand image and market position | | |

3. Complete a SWOT analysis using the diagram below to analyse your organisation's current situation in reference to current marketing activities.

| Business name/type: | | |
|----------------------------|---------------|------------|
| Internal analysis | Strengths | Weaknesses |
| External analysis | Opportunities | Threats |

4. Conduct a market analysis for the market your organisation operates in. Include:
- products/services offered
 - market definition
 - market segment size and growth rate
 - market segment profile.

Part B

Develop a work activity plan for two activities that are part of your organisation's marketing plan, or an organisation you are familiar with.

1. List the identified target market/s for the organisation.

2. List the marketing outcomes or objectives for the organisation. Evaluate whether each outcome is SMART by ticking the boxes in the table.

| Outcome | | SMART | | | | |
|--------------------|--|-------|---|---|---|---|
| | | S | M | A | R | T |
| Sales/profit level | | | | | | |
| Target market | | | | | | |
| Customers | | | | | | |
| Promotional | | | | | | |
| Placement | | | | | | |

3. Outline the marketing activities that will be used to communicate with the target market/s you have identified.

| Monitoring procedures | | |
|------------------------|--|--|
| Reporting requirements | | |
| Time line | | |
| Budget | | |
| Resources required | | |
| People required | | |
| Marketing activity | | |

4. Outline the approval required from organisational personnel in order to implement the marketing plan. Explain when and how this approval will be obtained.



Topic 3

Implement marketing activities

A well-developed marketing plan provides a framework for the organisation to follow. But planning is only the first stage of a marketing strategy – plans put down on paper need to be implemented effectively, otherwise even the best plan will fail.

The ultimate aim of implementation is to execute marketing plans successfully and create value for customers by meeting their needs and developing profitable, long-term relationships.

In this topic you will learn how to:

- 3A Determine and access resources required for marketing activities
- 3B Undertake marketing activities within your job role
- 3C Help assign marketing responsibilities and functions
- 3D Monitor, review and amend marketing activities

3A

Determine and access resources required for marketing activities

If marketing plans are to be implemented successfully, they need adequate resources, such as people, time, money, equipment and materials.

A thorough analysis of the resources required is needed to implement the marketing plan successfully. You must also determine if you can obtain these resources and the procedures for accessing them.

Analyse resources

The range of resources that may be required to implement a marketing plan is wide. However, time is one organisational resource that you must manage when implementing any marketing plan. Just like IT or money, time is a finite resource for the business.

All marketing outcomes must have a time frame attached to them. Work activity plans are then developed and these must specify the time frame for completing each marketing activity.

Consider the time management issues listed below when managing time.

Time management



Flexible time frames

Sometimes time can't be managed as you planned because things come up that affect the time frames of individual tasks and therefore the completion date. To accurately determine how much time you will need to implement your marketing plan, you need to understand the tasks involved and allow for contingencies. A flexible time frame allows you to absorb delays and take advantage of idle time as it happens.



Overlapping tasks

It is likely that during the implementation process you will have tasks that run simultaneously and overlap. This can place demands on people who are involved in both tasks. In this situation, you need to carefully plan and prioritise their work to ensure time is adequately allocated.



Dependent tasks

When implementing a marketing plan, there may be tasks that rely on the completion of other tasks before they can be performed. This can result in bottlenecks, where tasks are held up because a dependent task has not been completed. This can create idle time, as people waiting for another task to be completed have nothing to do.



Suppliers or partners

Planning time is much easier when the marketing activity only involves people in your immediate work area. Once people from other departments or organisations become involved, it becomes much more difficult to plan your time. Communicating effectively with external team members or suppliers on a continual basis is essential so that all parties are aware of any changes to plans.

Other organisational priorities

Devoting time to one activity comes at the expense of another activity. If organisational priorities change, then your marketing activity may become less important, meaning time and resources are used elsewhere. This can affect your time frames. Marketing is just one area of the business and you need to take a holistic view of all of the organisation's activities and priorities and how they may affect your plan.

Conflicting work priorities

There may be team members who are not 100 per cent assigned to the marketing project and are required to perform other duties at the same time. Similarly, a marketing team member may be given more than one task in a project to work on simultaneously.

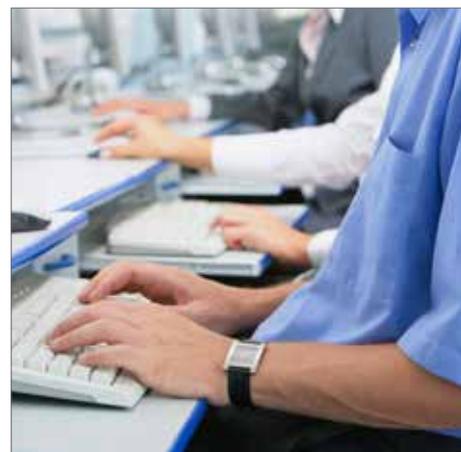
In these circumstances, conflicting work priorities can mean the team member faces pressure to complete tasks on time but does not have the time available to do so. When someone is answering to two managers, they can become confused about which task should take priority. If this happens, tell your supervisor or manager immediately. If you are responsible for team members, you need to discuss the situation with those concerned and negotiate a solution.

Legal considerations

Familiarise yourself with workplace policies and regulatory considerations in terms of the maximum hours employees can work each week. This information should inform your time planning. If overtime is allowed, then penalty rates and wages may affect the allocated budget. There are only a certain number of hours in each day that can be allocated to working on a marketing activity.

Staff availability

When developing time frames for your activities, you must be aware of staff availability. There is no use scheduling a task to be performed at a certain time if there is no-one available to perform it. Staff may be unavailable on particular work days and times for many reasons, including work duties, family commitments, scheduled leave and the terms of their employment contract.



Set marketing budgets

Consider the process for determining the marketing budget and the organisational policies and procedures for accessing these funds. As part of the overall business planning and budgeting process, senior management will have determined the funds allocated to the marketing department.

The overall budget allocated directly to marketing will determine the scope and type of marketing activities used. For example, if the budget is small then direct marketing activities such as phone calls or personal letters may be used rather than an extensive mass-media advertising campaign.

Marketing budgets

You need to know the amount of funds allocated to marketing by the organisation and how these budgets are set.

Here is some information on the major methods for determining how much money you will need for your marketing plan and setting the overall budget.



Percentage of sales budget

The marketing budget is based on a percentage of sales from the previous years. For example, if sales were \$1,000,000 and a fixed percentage of 10 per cent was allocated to marketing activities, then the marketing budget would be \$100,000 for the coming year. Alternatively a budget can be based on the amount of sales that the marketing campaign is expected to generate.



Affordable budget

The organisation works out its expenditure on all other items and then allocates whatever is left to marketing. This approach does not recognise that marketing is an investment designed to generate sales.



Objective and task budget

This is the best approach to marketing budgeting because the budget is set based on what the organisation's objectives are. Each marketing activity outlined in the work activity plan is identified and costed. This approach is likely to produce a marketing budget that is realistic and recognises that marketing expenditure is an investment through which sales can be increased.

Access the marketing budget

Your marketing plan may comprise only a portion of the organisation's overall marketing program. As such, you will be competing with other marketing efforts. You must identify the procedures for accessing these funds. You may be required to provide a presentation or report to management outlining the details of your marketing plan and what its effect on the organisation will be.

Human resources

People are a vital resource because they are the ultimate determinant of how effective your marketing program will be. In allocating human resources to your marketing program, you need to consider the number of people required. This is based on the information in the work activity plan and the skills required by the various marketing activities.

Allocate people who have the required skills and experience to each activity. Remember that their performance will determine the success or failure of the program. In some instances, it may be possible to provide training for team members.

Allocation of human resources

The nature of the marketing activity will determine the number and type of people required to implement it. For example, a product launch for suppliers and the media may involve all in-house marketing and IT personnel as well as invited guest speakers and outsourced catering staff. Contrast this with a display booth being set up in a local shopping centre to alert customers to a new product, which may only require one or two sales or promotion staff.



Determine human resources

Get the team balance right by having a range of skills, expertise and personalities that complement each other. Another consideration is the use of outsourcing and contract labour. The use of contractors can be beneficial if specialist skills are required or if the marketing project is short term.

Familiarise yourself with the procedures for accessing the human resources required to implement a marketing activity. This may be relatively simple if all personnel required are from the marketing department, but when people from outside your department or the organisation are required, you need to follow organisational procedures to gain authorisation to employ them.

Information technology

The situation analysis performed during the planning process analysed the effect of technology on how the organisation markets its products and services. The use of new technology to communicate with customers also places a requirement on the organisation to ensure that it has the right technology and equipment to support its marketing plans.

Here are some examples of the technology you require.

| Useful technology |
|---|
| Computers (desktop and laptop) and software |
| Smartphones |
| Internet and email access |
| Printers |
| Digital cameras (still and video) |
| Digital projectors |

Suppliers

When implementing a marketing plan, you may need to find suppliers for products, promotional materials and other inputs.

Here are some examples of when you will need to consider suppliers.



The products the organisation sells – you may need display, demonstration or sample products, and you must make sure you have sufficient stock to meet the orders your campaign aims to generate



Contract or hire labour – you may need additional staff hours to organise and run the campaign, and to deal with the inquiries and orders your campaign aims to generate



Promotional materials – you may need to order items supporting the campaign that show the product or organisation name or logo, such as drink bottles, t-shirts, pens, carry bags and stationery

Example: use technology as part of the marketing plan

Technology used in marketing communications is changing rapidly as consumers adopt new forms of media. In Australia, a major hamburger franchise first ran a trial SMS voucher campaign in Bundaberg, Queensland. A competition was run on local radio, which required listeners to enter by providing their details via SMS. In return, each listener received a confirmation text message that also contained a voucher for a free burger or fries at their local hamburger franchise.

When redeeming their vouchers, customers were then sent another message asking if they would like to receive more offers from the franchise, to which they could reply 'Y' (yes). The franchise would then send them future offers and vouchers just before main meal times in order to encourage repeat business.

(Source: www.plusone.com.au/smsstudies.php)



Practice task 11

Read the case study, then answer the questions that follow.

Case study

David is part of a team producing of a promotional flyer to be distributed to existing clients in order to publicise new services offered by the business. As the desktop publisher, David is responsible for formatting the flyer and putting it into the company's style template.

David has his time for completing this task planned out carefully. The proofreader is scheduled to have the copy approved and sent to him by Tuesday at 10 am. David plans to use the rest of Tuesday to format the flyer and then email it to the mail house by 6 pm. That means the flyers can be printed overnight (express service), posted on Wednesday and received by clients in time for the peak business period on the weekend.

However, the proofreader contacts David and tells him the copy won't be ready until Tuesday afternoon. David has to work late, and misses the 6 pm artwork deadline for the mail house. The flyers are posted on Thursday and may not reach clients in time for the busy weekend period.

1. What can David do to ensure this doesn't happen again?

2. Is David making the best use of the marketing budget?

3B

Undertake marketing activities within your job role

After the marketing plan has been developed, the organisation's marketing activities must be implemented. This involves following the marketing activities outlined in the work activity plan. Confirm with your manager/supervisor which activities and tasks you are responsible for. They will tell you what you need to do and explain your role in coordinating and implementing the activity.



Marketing implementation

The actual implementation of marketing activities involves:

- breaking down activities into a series of smaller tasks
- coordinating and scheduling tasks using effective planning tools.

Break down tasks

The activities in the work activity plan must be broken down into a series of smaller tasks that need to be performed in order to implement the activity. Breaking the work activity plan down in this fashion helps you develop a checklist of tasks to perform in order to ensure the activity runs smoothly. It also allows you to monitor the progress of the activity as each task is completed.

In the example below, you can see the range of tasks that must be completed in order to run a promotional competition.

Break-down of tasks for running a competition

- Identify and source prizes.
- Obtain a government permit to run the competition.
- Have the legal team write up terms and conditions.
- Produce flyers advertising the competition.
- Produce entry forms to place in point-of-sale displays at store counters.
- Manufacture point-of-sale displays.
- Produce a media release to publicise the competition.
- Develop print, television and radio advertisements to publicise the competition.
- Launch the competition.
- Collect entry forms and enter them into a database to collect customer details.
- Draw the competition winners.
- Notify competition winners and announce them on the company website.

Coordinate and schedule tasks

Once all of the tasks required to implement a marketing activity have been identified, they need to be implemented in a systematic and coordinated manner. An effective planning tool for doing this is a Gantt chart.

Create a Gantt chart

A Gantt chart shows the tasks that make up a marketing activity on a horizontal bar chart. The tasks are listed in sequential order, with the horizontal bars representing the time required to complete each task. The chart is a graphic representation of the relationship between tasks and time. You can develop these manually or use software such as Microsoft Project.

Here is some further information on Gantt charts.

Marketing activity details

The Gantt chart shows marketing activity details such as the:

- major tasks that make up the activity
- dependence between tasks; that is, whether one task must be completed before another can commence
- time line for each task and for the overall activity.

Implementing each marketing activity

A Gantt chart assists in implementing each marketing activity by:

- determining the time required to complete each task and the overall activity
- identifying the relationships and dependencies between tasks to ensure time is managed effectively
- acting as a benchmark for monitoring and reporting on marketing activities
- helping you to delegate tasks and manage the marketing team.

What the Gantt chart illustrates:

A complete Gantt chart illustrates the:

- minimum time required for each task and the overall marketing activity
- correct sequence of tasks
- tasks that can be done at the same time
- slack time (when no tasks are being performed).

Gantt chart

The chart is a graphic representation of the relationship between tasks and time. You can develop these manually or use software such as Microsoft Project.

First, list the tasks involved in implementing the marketing activity down the left-hand column of the chart. Break down the marketing activity into a series of smaller tasks.

Then the remaining columns are used to create the time line for implementing the marketing activity. Depending on the time frame for your activity, each column can represent an hour, day, week, or longer.

This Gantt chart shows the tasks involved in creating a flyer for distribution by post and email.

| Activity | Personnel and resources required | May | | | | | | | | | | | | |
|-------------------|---|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|---|---|---|
| | | Wed | Thu | Fri | Sat | Sun | Mon | Tue | Wed | Thu | Fri | | | |
| | | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | | | |
| Develop budget | Anne (marketing officer) Spreadsheet software, costings, activity plan | █ | | | | | | | | | | | | |
| Decide on content | Anne, Wahid (marketing manager) Meeting Room 1 | █ | | | | | | | | | | | | |
| HR | Stephanie (HR officer) | | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ |
| Gather feedback | Anne, contacts from each department PowerPoint presentation showing proposed flyer and supporting materials Meeting Room 2 | | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ |
| Develop layout | Anne, external desktop publisher Visual identity guidelines, examples of previous flyers Meeting Room 1 | | | | | █ | █ | █ | █ | █ | | | | |
| Finalise layout | External desktop publisher | | | | | | | | █ | █ | | | | |
| Proofread | Anne | | | | | | | | | | █ | █ | | |
| Printing | External printing contractor | | | | | | | | | | █ | █ | █ | █ |
| Distribution | Anne, IT officer to help with global email, two administrators to help with hard-copy distribution Large table in the mailroom | | | | | | | | | | | | | █ |

Contingency planning

Amending work activity plans once problems or delays have arisen is a reactive approach to managing the implementation of marketing activities; that is, you work out how to respond after something unexpected happens.

Contingency planning is a pre-emptive approach to monitoring marketing activities and dealing with issues that come up. It involves anticipating and drawing up a list of issues that could arise and cause a problem for the implementation of marketing activities.

For example, the project could be affected by staff illness or resignation, industrial action, bad weather or a supplier going out of business.

Contingency planning saves time by identifying potential problems and developing courses of action in advance.



Requirements for contingency planning

A thorough contingency plan is essential when monitoring marketing activities. If time and thought is put into what could potentially go wrong and how to handle it during the planning stage, then it is much easier dealing with issues when they arise. Contingency planning is the key to keeping the marketing activity on track and on time even when things change.

You need to think of a wide range of things that could affect your implementation plan, no matter how unlikely they seem. Doing this ensures that, if the unexpected does happen, then you are as ready for it and can manage it effectively.

Look at each task and ask yourself the following questions:

- What could go wrong?
- What delays could arise?
- What action should be taken to address these issues should they occur?

Example: contingency planning

Katherine works for a company that imports and distributes nutritional products such as vitamins and supplements to health food stores throughout the state.

Currently, all sales staff are based at head office and manage their accounts over the phone and via email. If customers want to order product, they can order online or over the phone. Recent sales have been poor, so management has decided to use personal selling as a marketing activity by giving sales staff vehicles and having them visiting customers once a month to develop relationships and make sales.

Katherine is responsible for coordinating the first round of customer visits. In planning and managing this marketing activity, Katherine has drawn up a list of tasks as part of her contingency planning, as shown below.



continued ...

... continued

| Marketing activity | Tasks | What could go wrong | Contingency plan |
|--|---|--|---|
| Organise first round of customer visits by sales staff | Arrange meetings with customers Prepare promotional pack with product sample and brochure with company information | Some customers not available to meet during the first round | Direct these customers to the company website, which has full list of products and product information Have sales staff follow up with these customers in the next month |
| | | Brochure not ready on time | Give customers last year's brochure Direct customers to the company website, which has full list of products and product information |
| | Make accommodation arrangements for sales staff travelling around the state Arrange meetings with customers | Sample products not ready on time | Use alternative supplier (contact potential suppliers and draw up list in advance) Take customer details and mail out a sample pack when available |
| | | Accommodation not available with organisation's preferred provider | Use alternative supplier (get prices and draw up list in advance) |

Practice task 12

1. How does breaking the marketing activities in the work activity plan into a series of smaller tasks help in implementing each marketing activity?

2. How does the use of a Gantt chart assist in implementing marketing activities?

3. Why is it important to plan for contingencies?

3C

Help assign marketing responsibilities and functions

When implementing your marketing plan, you need to determine the human resources required. While your manager has the overall responsibility, you may be asked to help with allocating tasks to staff.

You may be asked to:

- contact printers – to arrange a printing schedule
- direct administrative staff – to order stationery and arrange mail-outs and deliveries
- coordinate external contractors – to confirm time lines and tasks, and monitor and report on their progress
- source internal or external personnel – to provide graphic design, copywriting and desktop publishing services to the project.

Marketing specialists

Marketing specialists are the people who operate in the organisation's marketing department and develop the marketing plan.

Marketing specialists may include people in the following roles.

Marketing specialists

- Marketing manager
- Marketing assistant
- Communications manager
- Brand manager
- Public relations manager

Other specialist personnel

Most marketing activities require a mix of general and specialist personnel. If the skills or man hours needed for a project cannot be sourced internally, the organisation will need to use external contractors or temporary (temp) staff. If the budget allows it, an organisation may outsource an entire campaign to an advertising agency.

Here are some examples of the personnel that can be involved in a marketing activity.

Desktop publishers

Desktop publishers assist in the design and production of promotional materials. They can help design images for the organisation to promote its brand and products/services. Desktop publishing requires the use of personal computers and specialist software programs to lay out text and graphics for print and online applications.

continued ...

... continued

Graphic artists and designers

Graphic artists and designers create images and present information in promotional messages. They design graphics and create templates for the desktop publishers to use. They work on promotional materials including brochures, magazines, leaflets, catalogues and web pages with multimedia features. Graphic artists and designers are frequently outsourced by organisations because of the highly specialised skills and equipment required.

Copywriters

Copywriters come up with the words and content of marketing communications such as advertisements, company statements, press releases and web pages. This promotional writing is called 'copy' and its purpose is to persuade the customer to behave in a certain way. Copywriters develop text for advertisements, articles, slogans, jingles, catalogues, point-of-sale displays, billboards, websites and social media.

Photographers

Photographers work to a brief to show a product to its best advantage. They compose and edit images for print and online applications. Photographers often work with a stylist, who sets up and 'dresses' the subject being photographed. Stylists specialise in food, fashion and interior decor.

Administrators

Every marketing team requires administrative support. Administrators help with general administrative tasks, filing, data entry, ordering supplies and reception.

Other personnel

- Printers provide commercial printing, typesetting and binding services for hard-copy promotional items such as catalogues, flyers, leaflets and booklets.
- Sign-writers design, manufacture and install signage for promotional displays.
- Tradespeople build and install promotional displays.
- Customer support or sales staff answer inquiries, take orders or make cold calls.

Use external personnel

Outsourcing work means using external labour to perform particular tasks. To implement a marketing plan, sometimes you need external personnel to provide the specialist skills you do not have on staff. Or you may just need additional support staff to provide administrative or customer service support while the campaign is running.

In deciding whether to outsource particular tasks, there are many things you need to consider. Here are some of the advantages and disadvantages of using external personnel.



Advantages of outsourcing

- Contract labour provides access to highly specialised skills and equipment that the organisation does not possess.
- External labour provides the organisation with greater flexibility because labour is only hired as required, meaning costs are generally lower.
- The organisation can trial the services of personnel through outsourcing without an ongoing commitment.



Disadvantages of outsourcing

- External employees do not usually have a thorough understanding of the organisation and its culture, market position and marketing objectives.
- External employees may not have the same level of motivation and commitment as internal staff because their employment has a set 'end date'.
- Having contractors off site makes it more difficult to communicate with them and monitor activities.

Example: marketing responsibilities



Amelia works for a registered training organisation that runs accredited and non-accredited courses in hospitality and cookery. She is directed by her manager to oversee a new marketing campaign aimed at increasing market share. The market segment is people who want a career in hospitality as well as 'foodies' (people who enjoy cooking as a hobby).

The marketing activities include a full-colour middle-page spread in the local paper of all the courses on offer in the new year, an advertisement to be shown at local cinemas for four weeks and a television advertisement to coincide with the cinema advertisement.

Although Amelia has handled print advertising before, she knows that the expertise needed to create advertisements for cinema and television will come from outsourcing. Amelia also believes that the newspaper advertisement needs to be styled to create a professional and consistent approach to the marketing campaign.

Amelia meets with four advertising agencies to gather information on costs and time lines and to assess what each one can offer. After consulting with her manager, she chooses an agency that has run campaigns on a similar scale.

The marketing campaign is deemed successful. Enrolments in accredited and non-accredited courses are up 25 per cent in the first semester of the new year.



Practice task 13

1. Collect some promotional material that has really made an impression on you. Why did this material make an impression on you?

2. When would you need to outsource activities in your marketing plan?

3. What are the disadvantages of outsourcing?

3D Monitor, review and amend marketing activities

Central to the role of managing the implementation of marketing activities is the need to monitor progress. Progress must be monitored to ensure activities are on track and to review and amend work activity plans if needed.

Each team member, internal and external, needs to perform their duties on time and to the desired standard. A consistent and regular monitoring and reporting framework is the best way to meet deadlines and quality standards.

Monitor the progress of marketing activities

We have already seen that marketing activities should be broken down into a series of smaller tasks. The progress of each team member needs to be monitored to ensure they are playing their part in implementing the overall marketing activity.

As each team member performs their tasks there are several factors that must be monitored, as outlined below.



Review performance

You can monitor the performance of marketing tasks in your team in a weekly meeting. This is just one option for keeping up to date with the team's progress. You must find a balance between using methods that allow you to monitor the activity's progress effectively and methods that are too hands-on or intrusive to team members.

The review process will be based on the nature of the task being performed, the experience level and skills of the person completing it. Their location (internal or external, local or international) and their work arrangements (part time, full time or contract) are also relevant.

Don't forget to review your own performance by asking your colleagues for feedback, making sure you are using your time effectively, and checking that your communication is clear and consistent.

Here are some tools for monitoring marketing tasks.

| Monitoring performance |
|---|
| Hold a weekly team meeting with a formal progress review |
| Use informal discussions to find out how people are going |
| Email checklists to team members |
| Consult the work activity plan or Gantt chart |
| Have team members give presentations on their progress |
| Ask team members to provide samples of their work |
| Have team members review each other's work |
| Supervise or inspect the completion of tasks |

Amend work activity plans

As you monitor the progress of marketing activities, you will gain information that can be used to review and amend work activity plans. The next step is to amend the work activity plan and take corrective action.

Depending on whether the amendments are major or minor, you may need to consult with your supervisor or senior management team before implementing changes.

Corrective actions include:

- changing the order in which tasks and activities are performed
- cancelling or halting an order
- changing the content of the marketing activity
- redesigning jobs in the team or reallocating tasks
- hiring or contracting additional personnel
- providing additional training or coaching for personnel
- reiterating the standards and goals of the campaign
- changing suppliers or seeking out additional suppliers.

Example: monitor and amend marketing activities

Kevin is responsible for managing the launch of a new catalogue. Kevin gives Gail the task of taking the design to the printers and working with them to select the paper and finish. The catalogue is to be distributed in the lead-up to the busy Christmas trading period.

At their weekly meeting, Gail states that she has chosen standard paper because the printer offered her a good deal. Gail is pleased because catalogue production is running on schedule and under budget. However, Kevin is not impressed with the samples Gail shows him. Yesterday, he received a memo from head office stating that the full marketing budget for the catalogue should be spent, and that an additional 5% is available if needed. The catalogue is part of an important strategic move for the company as it seeks to reposition itself at the high end of the market.

Kevin knows that a high-quality, matt coated paper will convey the right image to customers. He asks Gail to call the printer to see whether production has started. Fortunately, it hasn't, and the printer has suitable paper stock on hand. The change will not delay production. Kevin and Gail drive over to the printer immediately to check samples and revise the order.

Kevin is grateful the weekly meeting helped him avoid a costly mistake. He resolves to include a 'big picture' overview at each weekly meeting to remind his team of the strategic direction of the company.

Practice task 14

Make a list of all the things you should do to monitor and review a marketing activity.

Summary

1. Marketing implementation involves using the marketing plan to generate a list of activities and tasks to be performed.
2. If marketing plans are to be implemented successfully, they require adequate resources to back them up.
3. The resources required to implement a marketing plan include time, money, staff, information technology, suppliers and promotional materials.
4. The marketing activities outlined in the work activity plan need to be broken down into a series of smaller tasks.
5. A Gantt chart can be developed for the overall marketing program as well as for each separate marketing activity to be performed.
6. Personnel required to implement a marketing activity include desktop publishers, graphic artists and designers, copywriters, administrators, marketing specialists, printers, sign-writers and tradespeople.
7. External consultants and specialists can be used if the skills required are not available internally.
8. As marketing activities are implemented, the progress of tasks and team members must be monitored for quality, timeliness, budget and strategic impact.
9. You must select the most suitable methods to monitor the progress of marketing activities such as meetings, discussions, emails, presentations or supervision of performance.
10. When marketing activities are not going to plan, corrective action must be taken and work activity plans amended.
11. Contingency planning is an effective tool for managing issues that arise while marketing activities are being implemented.

Learning checkpoint 3 Implement marketing activities

This learning checkpoint allows you to review your skills and knowledge in implementing marketing activities.

Part A

1. What should a Gantt chart for a work activity plan show?

2. How does time affect the implementation of your marketing plan? How can time be managed effectively?

3. How are marketing budgets set in your organisation? How are these funds accessed?

4. List the people required to implement your marketing plan and the tasks they will perform. Use the following table as a guide.

| Personnel | Tasks performed |
|-------------------------------|-----------------|
| Desktop publishers | |
| Graphic artists and designers | |
| Photographers | |

continued ...

... continued

| Personnel | Tasks performed |
|---|-----------------|
| Copywriters | |
| Administrators | |
| Marketing specialists | |
| Printers, sign-writers, tradespeople | |

5. What are the benefits of using internal personnel compared to external personnel when implementing your marketing plan?

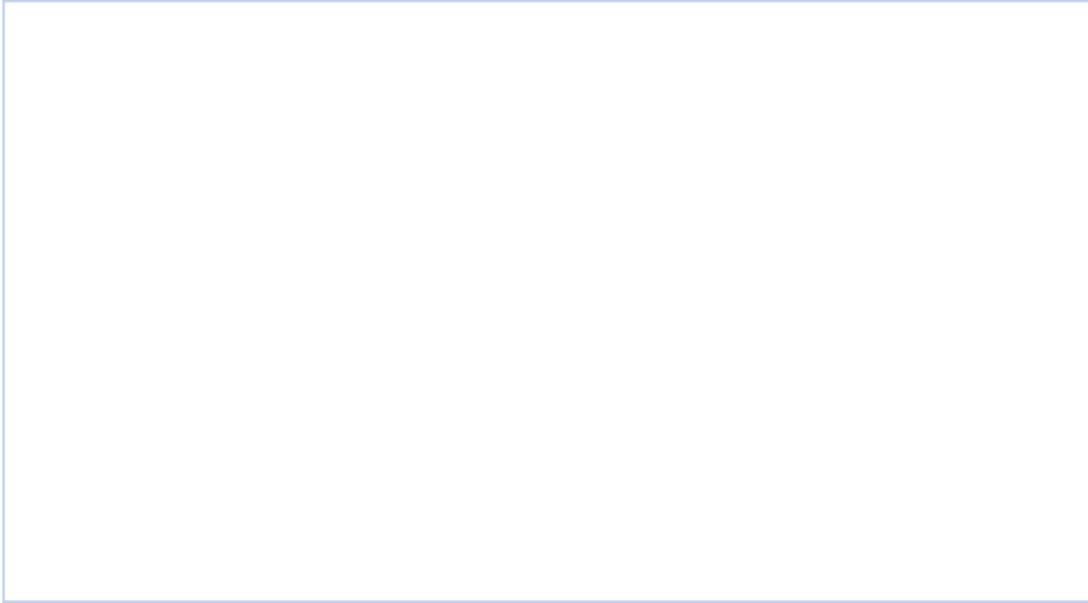
6. What information technology will you need to implement your marketing plan?

7. What affect will suppliers have on the implementation of your marketing plan? What supplies are required?

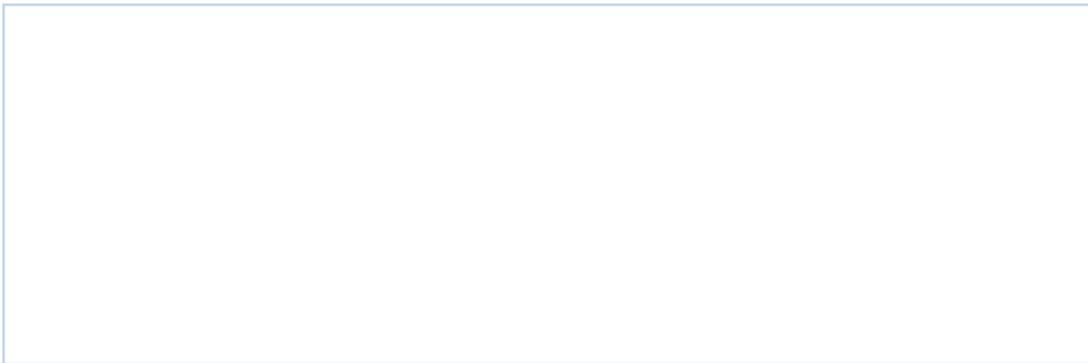
Part B

1. Develop a plan for monitoring the progress of the marketing activities being implemented from your marketing plan.

2. Explain why it is important to monitor the progress of a marketing activity and a team member's performance in terms of:
- quality
 - time
 - budget
 - strategic impact.



3. For each marketing activity being implemented, list all the tasks that will need to be completed and indicate how you will monitor its progress.



Topic 4

Review marketing activities

Reviewing marketing activities involves control. Control is when marketing activities are analysed to ensure outcomes or objectives have been achieved and significant issues corrected. Improving marketing outcomes involves reviewing the marketing activities that have been implemented to identify what was and wasn't effective. When marketing activities haven't gone as planned and didn't have the desired effect, corrective action must be taken.

Assessing the effectiveness of marketing activities in achieving objectives enables the business to plan which marketing activities to use in the future.

In this topic you will learn how to:

- 4A Measure and record the outcomes of marketing activities
- 4B Review marketing activities and suggest improvements
- 4C Prepare reports and communicate your findings

4A

Measure and record the outcomes of marketing activities

Reviewing the effectiveness of marketing activities means measuring the effect of the marketing activities. An important issue to consider is exactly what should be measured and how it should be measured. For example, if you implemented an advertising campaign on television and radio, how would you measure the effectiveness of this strategy? Will sales levels recorded after the campaign indicate how effective it was? What about customer inquiries or brand-awareness levels? How will you know how effective your advertising campaign has been?



Marketing outcomes

The question of what to measure comes back to the marketing outcomes or objectives you need to achieve.

Here are examples of outcomes and ways to measure them.

Sales/profit level

- Increase in sales/profits

Target market

- Total market share
- Share of particular market segments
- Share of particular channels of distribution; for example, retail or wholesale

Customer

- Total number of customers
- Total number of customer inquiries
- Total/percentage of new customers
- Total/percentage of retained or existing customers
- Perceptions of customer service

Promotional

- Brand awareness
- Brand recall
- Brand image
- Website traffic
- Number of product trials
- Number of promotions undertaken

Placement

- Total number of distributors
- Total/percentage of new distributors
- Total/percentage of retained or existing distributors
- Customer delivery times

Achieve outcomes

To achieve outcomes, you need to follow the SMART framework. One of the requirements of the SMART framework is that all outcomes must be measurable. This means that for every marketing outcome, a quantifiable measure must be placed on it.

Examples of quantifiable measures

- Increase sales by 10 per cent
- Increase market share to 55 per cent
- Increase total number of stockists to 1,300
- Increase website hits to 50,000
- Increase brand awareness to 90 per cent

Quantifiable measures

Placing a quantifiable measure on marketing outcomes directs you in measuring the effectiveness of marketing activities. The measurable component of outcomes represents what it is the organisation is trying to achieve and what should be measured. If your organisation's outcome or objective was to increase sales by 10 per cent then the impact on sales should be measured from the organisation's accounting and financial records; if you were trying to increase brand awareness then market research should be done to survey consumers and their awareness of your brands, and so on.

Indicators of effectiveness

What is measured will be unique to your organisation and the marketing objectives it has set itself.

Here are some of the common measures used to review marketing activity effectiveness.

Common measures

Sales and profit levels

Market share

Brand awareness and recall

Market position and image

Customer satisfaction surveys, feedback and complaints

Customer levels

Website traffic

Team member feedback

Promotional reach and frequency

Supplier/stockist levels

Sales and profit levels

Many organisations see increased sales and profits as the ultimate aim of all marketing activities. Sales and profits are an indicator of business success but determining whether there is a direct relationship between a marketing strategy and increased sales and profits is difficult.

This is because it is hard to separate the effect of a marketing activity from other factors that may have increased sales and profits, such as improved economic conditions and cost savings in the value chain. Market intelligence and economic data can help to tease out the effects in some cases.

There can also be a time lag between the marketing activities and their impact on sales and profits. If sales and profits are analysed too soon after implementation, then the effect of marketing activities may not yet be realised.

Market share

The market share is the proportion of the total available market that the organisation services. It is a good indicator of the effectiveness of marketing activities because the goal of most businesses is to outperform competitors. If marketing strategies have been devised in response to a competitor's products and services, market position or marketing activities, then market share is a reliable indicator of whether the organisation's marketing activities are effective.

Here are two ways that market share is usually expressed.

| Market share |
|---|
| The organisation's total sales revenue divided by the total sales revenue of the market |
| The organisation's total unit sales (the number of products or services sold) divided by the total unit sales of the market |

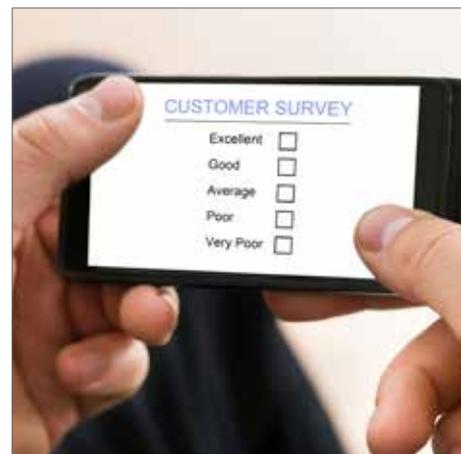
Brand awareness and recall

Another way to measure marketing effectiveness is using customer surveys to determine how many customers are aware of the organisation, its brand, and its products and services. A common marketing outcome is to increase brand awareness so customers are aware of the organisation and its brands when they make purchasing decisions.

Market position and image

Customer surveys can also be used to determine how customers perceive the organisation, its brand, and its products and services. Brand awareness and recall is about whether the customer is aware of the organisation's brand. For example, a survey run by a market research company may ask respondents to name five brands of washing detergent. If your product is frequently named, then there is high brand awareness and recall.

Market position and image analyses how customers perceive the organisation and its products and services. A customer survey may ask whether people view Brand X biscuits as a luxury item, an affordable treat or a pantry essential. This is a useful indicator for organisations seeking to change their market position or how customers perceive their brand.



Customer satisfaction surveys, feedback and complaints

Many organisations implement marketing activities to increase the level of customer satisfaction. This type of campaign can be measured using customer surveys, feedback forms and suggestion boxes to gauge the effect on customer satisfaction.

Customer satisfaction



Collect feedback

The organisation can collect information by surveying customers when they are next in contact with the organisation such as via a feedback form available either in-store or on a website. Customer surveys and feedback can also be obtained using a market-research organisation that specialises in collecting qualitative and quantitative customer information.



Customer levels

A useful indicator of marketing activity effectiveness is the number of customers the organisation has. A marketing activity may have been implemented to increase customer levels. Many marketing activities, such as direct marketing and personal selling, are implemented to solicit business and gain new customers. The number of customers gained after the marketing activities are assessed against customer levels prior to the marketing activity.



Website traffic

If the business sells products and services via its website, then a further measure is the number of purchases made through the organisation's website.

If the organisation is seeking to use its website as a key marketing tool, whether for selling or purely promotional purposes, and has developed outcomes or targets for the number of visits, then website traffic is a useful measure of effectiveness.

Team member feedback

An important aspect of evaluation is collecting feedback from team members and gaining their assessment of the effectiveness of marketing activities. In particular, team members can assess how the activity was resourced and how it was implemented. If they interacted with customers at a trade show or event, they can tell you how customers responded to the activity.

However, you should remember that team member feedback about outcomes could be biased because they are reviewing the effects of their own work. Also, team member feedback tends to be anecdotal (based on their own experiences) rather than objective (based on data collected).

Promotional reach and frequency

The measurement of promotional reach and frequency is similar to brand awareness and recall, but rather than analysing customers' awareness of the organisation and its brands, promotional reach seeks to measure the effectiveness of the marketing activities.

Promotional reach refers to the proportion of customers in the organisation's target markets who are exposed to marketing activities. Promotional frequency looks at how often customers have been exposed to the marketing activity. Conducting market research and seeking customer feedback can measure both these outcomes.

Measuring promotional reach and frequency is important because it provides a direct assessment of how effective particular marketing activities were, which can then inform which marketing activities to use in the future.

Supplier levels

A key marketing outcome for the organisation may be to increase the number of stockists or suppliers of its products and services. For example, a gardening franchise wants to cover new housing developments by adding new franchisees to serve those suburbs.

An organisation seeking to consolidate distribution channels may aim to reduce the number of stockists or suppliers of its products and services. For example, a jam and chutney manufacturer wanting to simplify distribution arrangements decides to supply one large independent supermarket instead of four small delis.



Example: measure and record marketing activities

At a major airline, marketing manager Amanda has begun the process of reviewing the marketing activities that were implemented to arrest falling passenger numbers and ticket sales. The marketing strategy was aimed at reinforcing their high-quality image and focus on business customers.

The marketing program ran from January to October. The time frame for achieving the desired outcomes was six months. In May of the following year, Amanda began to review the effect the marketing activities had in the six-month period from November to April. To do this, she collected the following information:

- Passenger numbers and ticket sales – market share data (adjusted for seasonal and economic factors) shows that Amanda's marketing strategy has brought customers back to the airline. Passenger numbers and ticket sales have been rising month-on-month since March.
- Effectiveness of advertising – market research carried out by an independent company showed that television and print advertising had been getting through to customers. For example, 80 per cent of executive travellers nominate the airline as their first choice when booking business flights, up from 40 per cent prior to the campaign.
- Improvements to products and service quality – when surveyed about their customer experience, 90 per cent of travellers nominated the new services of valet parking and online check-in as a factor in securing their repeat business.

Practice task 15

1. Why would an organisation be concerned about its market position and image?

2. Why is the measurement of website traffic relevant to organisations that don't sell products and services on their website?

3. How does website traffic benefit the business?

4B Review marketing activities and suggest improvements

On their own, measures don't indicate the effectiveness of the marketing strategy. These measures need to be compared to the marketing outcomes, objectives or goals to determine whether the marketing strategy was a success and if any improvements and corrective action are required.

Compare results with desired marketing outcomes

If you make marketing outcomes measurable, comparing the actual and planned results will be straightforward, and you will be able to assess the effectiveness of the campaign on your own terms.

For some campaigns, it may be appropriate to express particular marketing outcomes in qualitative terms. This data is expressed in categories, rather than numerical results. These outcomes are more difficult to assess for their effectiveness than quantitative marketing outcomes but there are tools for doing this.

For example, how would you measure customer satisfaction? You can see below that the second question gives you more information (categories) in this example – 40 of the customers who answered 'yes' when asked a direct yes/no question gave a neutral response when asked a 'how' question.



| Yes/no question | 'How' question |
|---|---|
| Were you satisfied with our customer service? | How satisfied were you with our customer service? |
| Yes/No | Very satisfied; somewhat satisfied; neither satisfied nor dissatisfied; somewhat dissatisfied; very dissatisfied |
| Yes = 70 No = 30 | Very satisfied = 5 Somewhat satisfied = 25 Neither satisfied nor dissatisfied = 40 Somewhat dissatisfied = 25 Very dissatisfied = 5 |

Variance analysis

Variance analysis is a control tool used for comparing the effectiveness of marketing activities against outcomes or objectives. Variance analysis works by taking the actual outcome recorded and comparing it with the desired outcome such as sales levels, brand awareness, customer numbers, repeat business, website traffic or customer satisfaction levels.

Identify improvements and take corrective action

To identify how the marketing activity can be improved, it is necessary to conduct a thorough review that covers all the aspects and issues of the marketing activity.

Here are some sample questions that could be posed when looking for improvements or corrective actions.

Time

- Was the time frame for implementation of the marketing activity realistic?
- Were all tasks completed on time?
- Were there any tasks that should have been allocated more or less time?
- Was there sufficient time devoted to developing the marketing plan?

Planning

- Was the marketing plan sufficiently detailed?
- Were marketing activities and tasks scheduled in a logical order?
- Were the organisation's past and current marketing activities, policies and procedures used to inform the plan?
- Were reporting and monitoring procedures clear and effective?
- Was the required approval obtained before marketing activities were implemented?

Budget

- Was the overall budget allocated to the marketing activity sufficient?
- Was the budget allocated to each task sufficient? Which items went over or under budget?
- Could cost savings have been made in any areas?

Personnel

- Were there enough personnel devoted to performing each task?
- Did the personnel have the required knowledge, experience and skills?
- Were personnel motivated and committed? Could roles in the team have been designed better?
- Were team members satisfied with the way they were managed and the dynamics of the team?
- Could conflict in the team be better managed?

Management

- How decentralised was authority and decision-making responsibility? Could a higher or lower degree of centralisation have been used?
- How effective was your management style? Were there instances when a different management style may have been more appropriate?

Technology

- Were personnel provided with the technology required to perform their duties effectively?
- Was training and IT support sufficient?

Suppliers

- Did suppliers provide products on time and to the required standard?
- Did spending on products from suppliers remain within budget?
- Could communication with suppliers have been improved?

Improve marketing activity

Improving the marketing activity can be achieved through a review that covers all the aspects and issues of the marketing activity.

Here are possible issues to consider regarding aspects of the marketing activity.



Marketing activity choice

- Was the marketing activity selected appropriate for achieving the organisation's marketing outcomes?
- Was the mix of activities chosen balanced?
- Did each marketing activity reinforce the overall brand image and market position of the organisation and its products and services?
- Should additional or different marketing activities be used in the future?
- Did the marketing activity reach its intended target market?



Marketing strategy

- Is the organisation's marketing strategy (cost-leadership, differentiation, focus) suitable?
- Did the marketing activities reinforce the marketing strategy?



Marketing environment

- Were client's needs analysed effectively?
- Were all competitors, their products and services, market positions and competitive advantages analysed?
- Was the political, economic, social and technological environment analysed effectively?



Marketing analysis

- Was the market defined correctly?
- Has the market grown or shrunk significantly?
- Was the market segmented correctly?
- Was the most suitable segmentation basis used? Is there another way the market could have been segmented?
- Were all market segments identified?
- Were the right market segments identified as target markets? Should other segments have been targeted?



Marketing mix

- Could the product or service and its features and benefits have been improved?
- Do the features and benefits meet customer needs?
- Was the price point correct?
- Was the pricing strategy optimal?
- Was the promotional strategy effective?
- Was the placement or distribution strategy effective? Could customers purchase the product or service in the manner they desired?



Marketing outcome (objective)

- Were all marketing outcomes achieved?
- Which marketing outcomes were not achieved? Why?
- Were the marketing outcomes SMART (specific, measurable, attainable, relevant, timely)?
- Could more effective marketing outcomes have been developed?

Example: review marketing activity

In the following example, Jenni, who works for a major airline, looks at the indicators of effectiveness and feedback she collected from observing the implementation and performance of team members. She identifies the following improvements and the recommended action to be taken.

| Aspect of marketing activity | Problem or opportunity | Action to take |
|------------------------------|---|--|
| Budget | Problem: Budget for an in-flight food and drinks promotion was exceeded. | Source cheaper food and drink options (less preparation, lower storage requirements) without compromising quality. |
| Personnel | Problem: Marketing team personnel were overworked and worked extensive overtime, resulting in poor motivation. | Use temporary staff to help the marketing team with administrative tasks such as data entry. |

continued ...

... continued

| | | |
|-----------------|--|---|
| Technology | Problem: E-ticketing system often crashed for customers attempting to book online. Many customers either had to book over the phone or used another airline. | Upgrade IT systems and equipment to be able to handle the volume of online bookings. Re-advertise e-ticketing system to reassure customers it has been improved and can now be used. |
| Market analysis | Opportunity: The regional air travel market has grown at a significantly high rate over the last six months, with projections for continued strong growth in the next two years as governments encourage and support regional businesses. | Continue to pursue differentiation strategy. Use television and print advertising that makes the airline brand synonymous with regional air travel. Given the airline's strong market share, this is a realistic objective. |

Practice task 16

1. What do you need to measure to find out whether your marketing activities have been effective?

2. What resource aspects of the marketing activity need to be reviewed in order to take corrective action?

3. What other aspects of the marketing activity need to be reviewed for corrective action?

4C

Prepare reports and communicate your findings

The outcomes of your marketing activities and the improvements you have recommended must be documented and communicated to others in the organisation. Reporting requirements in your organisation may require you to report on marketing activities to your manager, senior management, board of directors or marketing team members.

Present findings

The way you present your findings is important because others in the organisation may use them to make significant and far-reaching decisions. The recommendations and suggested improvements you are providing must be based on evidence and supported by research data.

Content of reports and presentations

Reports on marketing activities can be made via a written report or an audiovisual presentation. You need to gather and organise evidence before you present and report on marketing activities.

To report on marketing activities, you need to:

- formulate a strategy for the audience or readership
- develop a clear report structure
- support your points with evidence and examples
- be prepared to respond to questions and challenges.

Formulate a strategy for the specific audience

Your report needs to be structured so it provides all of the key information and is tailored to the specific needs of the audience or readership. You need to know what is it you are communicating and why.

The purpose of the report is to provide information on marketing activities, their results and improvements for the future. Keep this in mind and do not overload the report with unnecessary details that could cloud the report's underlying purpose.



Informal reports

The audience or reader for your report could be your manager or supervisor, a group of senior managers, a board of directors or the marketing team. Each of these groups will have different requirements. For example, if you are presenting a report to a large group of marketing team members, you may need to prepare an electronic presentation that outlines which tasks were implemented effectively and which were not, along with a summary of how each team member performed. This could be presented in an informal manner.

Formal reports

If the presentation is for a group of senior managers it may need to be more formal. A written report may be provided, with a greater focus on the outcomes and recommended improvements. This report would supplement an audiovisual presentation, and a summary page outlining the key results and improvements for the future.

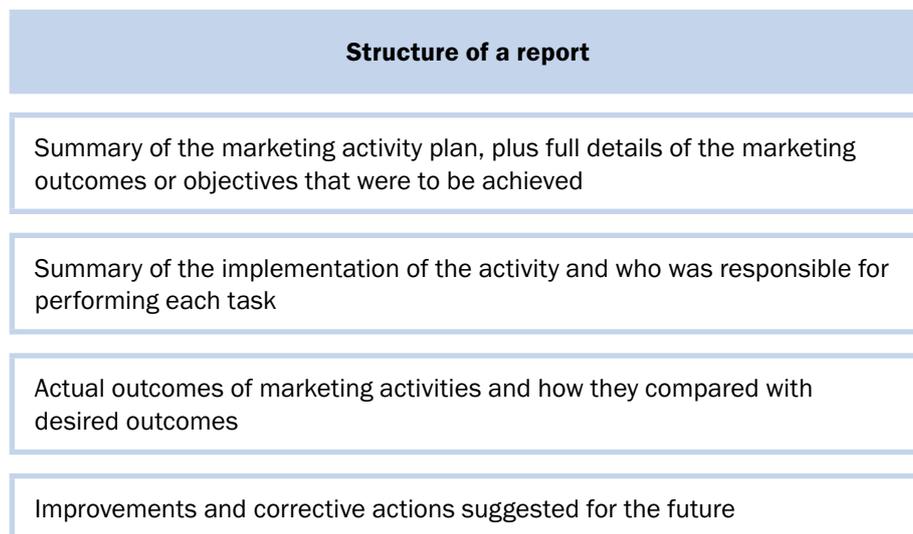
Points to consider when formulating a strategy for the report:

- How familiar is the audience or readership with the details of the marketing activity?
- What will the audience or reader do, based on the information contained in the report?

Report structure

You need to present information on marketing activities in a logical order. The best order will depend on who you are presenting to and the content of the report. Written reports generally follow a set structure. Regardless of the format of your report, it must flow in a manner that presents the key details clearly.

Here is a suggested outline for the structure of a report.



Support your points with evidence and examples

Provide the audience or readers with evidence of the outcomes of marketing activities. Present an analysis of each of the major marketing outcomes and to what extent they were achieved. Provide your audience with evidence to prove the points you are making in the report. Use visual aids such as graphs, charts, tables and diagrams to communicate facts and figures and make them more understandable.

Respond to questions and challenges

In a presentation it is common to provide an opportunity for the audience to ask questions and challenge the conclusions you have presented. The same principle applies to written reports – readers may seek further information from you by telephone or email, or ask you questions when you meet in the office.

While you may not be able to anticipate every question, you need to be prepared for some of the questions you are likely to face.

Format of reports and presentations

The two main formats for reporting on marketing activities are written reports and presentations to an audience. The format most appropriate for you will depend on the audience you are presenting to and the information being communicated. It may be that both formats are required, particularly if you are reporting to senior managers or a board of directors.

Written reports

The purpose of a written report is to inform the reader of the details of your marketing activities. A written report is useful for conveying detailed information to the reader. The style and tone of a written business report is formal and generally follows a set structure. It is more common to prepare a written report for managers rather than your fellow marketing team members.

Sections of a written report

The information in a written report needs to be easy to find, structured in a logical order and written in a style that is easily understood. Written reports make use of headings and subheadings to break down the content of the marketing program so it can be understood more easily.

Here is a list of the major sections of a written report.

Major sections of a written report



Title page

Contains the report title, your name and job role, and the date the report was prepared



Executive summary

Summarises the report by outlining the marketing activities carried out, the outcomes, and your suggested improvements for the future



Table of contents

Lists the main sections, headings and subheadings, which need to be numbered



Body

Gives full details of the marketing activities, the implementation, the monitoring and reporting procedures and the marketing outcomes; has headings and subheadings to present information in an understandable, logical and readable format



Findings and conclusions

Compares the actual outcomes of marketing activities with the desired outcomes; draws conclusion and makes recommendations for improvements



Appendix

Provides supplementary information mentioned in the report such as market research, work activity plans, figures and graphs

Presentations

Making a presentation usually involves overhead transparencies or an electronic presentation using software programs such as Microsoft PowerPoint. The major benefit of using presentations is their visual nature, which helps bring the content to life and make it more understandable.

Benefits of presentations

The audience may be more likely to be attentive to a presentation and take in the details because communication takes place during a set and defined time period, compared to a written report that the reader can read at their own discretion. A presentation can be supplemented with a written report or a hand-out outlining the key points.

A presentation also provides an opportunity for questions from and discussion among the audience, which can be useful if managed correctly.

Plan the presentation

When planning a presentation, you need to determine the content, length and structure that will suit your audience and convey the information you want them to know.

It is also a good idea to ask your HR officer whether any attendees have a visual or hearing impairment so you can adapt your presentation or supply them with extra materials to make sure they don't miss out on any information.

Here are some key questions to think about when planning a presentation:

- How many people are attending the presentation?
- Where is the presentation taking place? Is the room large or small?
- Is attendance mandatory for the audience? Do people want to be there or are they forced to attend?
- How long is the presentation scheduled to run for?
- What does the audience need to be told?
- How many slides should be used?
- How much information should be contained on each one?
- Will the presentation involve other media such as a video presentation or music?
- Will a written report or hand-out be needed to supplement the presentation?

Presentation structure

There is more freedom in structuring a presentation than a written report, which usually follows a set structure. As a presentation is visual, it is possible to present information in a different manner and order than you would for a written presentation. Whatever structure is chosen, it needs to flow logically to make it understandable for the audience.

Presentation aids

With a presentation, each of the points can be supplemented with visual or audio aids such as charts, tables, videos or music. For example, when presenting information about the implementation of marketing activities, you could show the audience the television or print advertisements that ran as part of its marketing program.

Providing too much information on one overhead can make it unreadable and confuse the audience. In general, an overhead should have no more than five points on it.

Present information

Here are some tips to remember when giving a presentation.

Presenting information

1

The right amount of information

Avoid providing too much information in the presentation. Use written reports, handouts and appendices to provide further detail.

2

Practice makes perfect

Practise the delivery of the presentation, including slides and media, to ensure you feel confident.

3

Timing

Time yourself to make sure you fill the slot allocated to you, and allow an appropriate length of time at the end of your presentation for questions and discussion.

4

Tone

Adopt a tone and degree of formality that suits the audience and the occasion. Being dramatic or funny isn't appropriate for every audience.

5

Aids

Use visual and audio aids to make your presentation more enjoyable and understandable. Make sure everyone can hear you before you start your talk.

6

Keep it simple

Use simple slides that aren't too long or dense with detail.

7

Body language

Use effective body language such as posture and facial expressions. Body language can distort the meaning of the presentation if not used effectively.

8

Use eye contact

Make eye contact with the audience during the presentation.

9

Keep it focused

Avoid fancy fonts, diagrams, animations, photographs and sound effects that are not relevant to the information you are presenting. These can distort the meaning of the presentation and distract the audience.

10

Legibility

Use dark text and a plain, light background on overheads. If the text blends into the background then it can be difficult for the audience to read. Make sure diagrams and charts that rely on colour are understandable for people with colour blindness.

Example: present a report

Sayo is asked to give a presentation based on the written report she prepared about a marketing activity she was responsible for. Her audience is made up of eight middle managers who are time poor (two managers state that they can't spare more than 45 minutes), and three staff from the marketing department. Sayo decides the most effective way to get the information from the report out to the audience is to use a PowerPoint presentation.

After identifying the main points from the report summary and supporting graphs, Sayo starts work on the presentation. She uses the corporate template, which specifies the colours and layout for slides. She has no more than five points on each slide and has her own notes assigned to each slide that enable her to expand on each point.

After a couple of practice runs, Sayo is able to get her presentation down to 30 minutes. This allows 15 minutes for questions. Sayo prints copies of the slide show for the managers and marketing personnel to add notes to and to take with them, to refer to at a later time.

Sayo is congratulated on providing a clear and precise presentation in a format that suited everyone's needs.



Practice task 17

1. What points would you consider when planning a presentation?

2. What considerations would you make when presenting a report using a slide show such as PowerPoint?

3. Name three benefits of presenting a report using a slide show.

4. When might you provide a written report instead of a slide show presentation?

Summary

1. Marketing activities must be reviewed to find out whether or not they were effective.
2. Determining how to measure the effectiveness of activities can be difficult, as marketing activities do not always translate directly into increased sales or profits.
3. Setting SMART outcomes (specific, measurable, attainable, realistic, timely) is a good starting point.
4. Marketing activity effectiveness is usually measured in terms of:
 - sales and profit levels
 - market share
 - brand awareness and recall
 - market position and image
 - customer satisfaction surveys, feedback and complaints
 - customer levels
 - website traffic
 - team member feedback
 - promotional reach and frequency
 - supplier/stockist levels.
5. The actual outcomes must be compared to the desired marketing outcomes using variance analysis.
6. Improvements and corrective actions can be identified by analysing the resources allocated to the project, along with the marketing activity choice, strategy, environment, analysis, mix and outcome (objective).
7. The outcomes of the marketing activities and any recommended improvements must be documented and communicated to others in the organisation via a written report or presentation.

Learning checkpoint 4 Review marketing activities

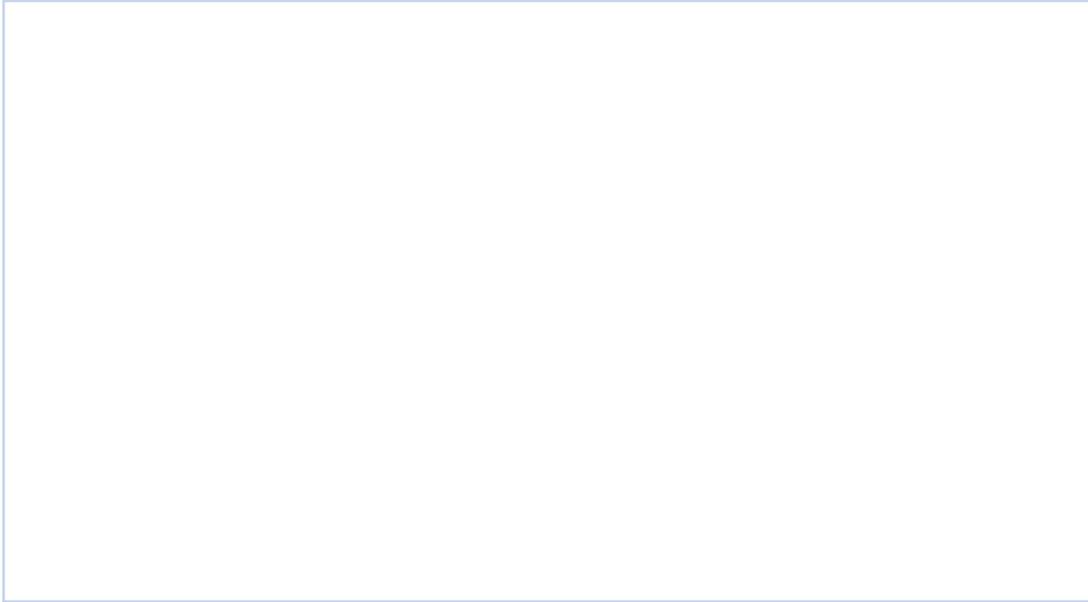
This learning checkpoint allows you to review your skills and knowledge in reviewing marketing activities.

Review a marketing plan from your organisation, or one you are familiar with, noting the effectiveness of the marketing activities.

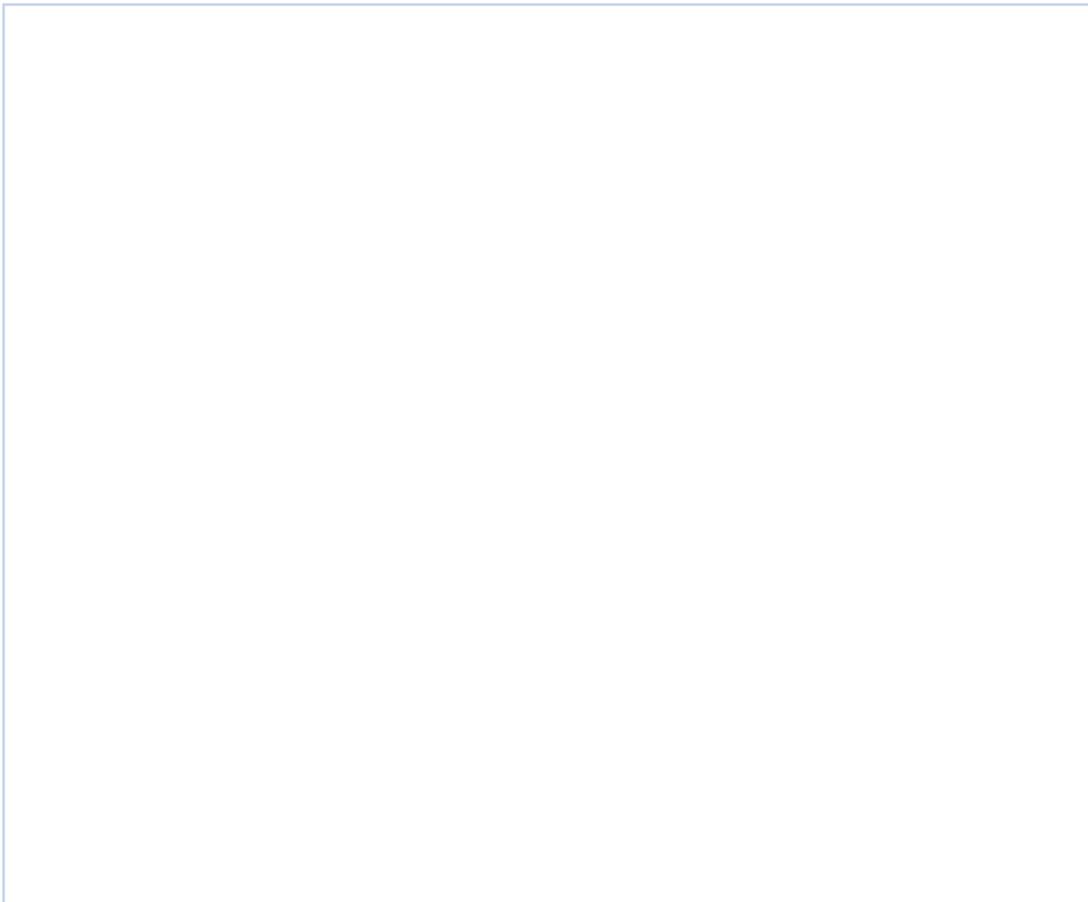
1. List the marketing activities undertaken, giving a brief summary of what internal or external factors each is driven by (for example, economic climate, new product line).

2. With reference to the same marketing plan, what are the desired outcomes or objectives of the marketing program?

3. With reference to the same marketing plan, in what way does the work activity plan support the implementation of the marketing plan?



4. With reference to the same marketing plan, what measures will be used to identify whether the plan is successful?



5. How would you measure variances in the marketing plan?

6. What aspects of the marketing activity would you need to look at when making recommendations for improvements? List each aspect and a broad question you could use to start your thought process.

